



Annual Report
2023





Driving excellence in global open hatch shipping services

At G2 Ocean, we take pride in providing safe, reliable, efficient, and flexible shipping services. With nearly 330 dedicated employees, we manage approximately 40 000 voyage days and handle 25 million tons of cargo annually. Our tailored shipping solutions cater to the specific needs of our customers, who represent a wide range of industries such as forest-based industries, raw materials, metals, renewable energy, and automotive sectors.

Drawing on our extensive experience and expertise in cargo handling, as well as our comprehensive knowledge of global port operations, we have established ourselves as a trusted transportation partner.

At G2 Ocean, we are driven by our vision of pioneering sustainable shipping solutions and hold customers at the core of all we do. Our goal is to create long-term value for all stakeholders. As part of our commitment to sustainability, we aspire to be a leading company in the transition to green shipping, with the ambitious target of becoming a net-zero company by 2050.



[G2ocean.com](https://www.g2ocean.com)

About this Report

This is the third combined Annual Report issued by G2 Ocean AS (G2 Ocean). The report covers both sustainability and financial information for all subsidiaries of G2 Ocean during the fiscal year 2023 (from January 1st to December 31st), unless otherwise specified. Throughout this report "G2 Ocean", "Company", "Joint Venture", "Group", "we", "us" and "our" refer to G2 Ocean AS and its subsidiaries.

This report consists of six chapters. In the 'General' chapter, we introduce you to G2 Ocean, our business context and operating environment. The chapters 'Social', 'Environment' and 'Governance' provides an in-depth overview of our material Environmental, Social and Governance topics, including their impacts, risks, and opportunities. In these chapters, we describe how our operations and activities within our value chain impact people, the environment, and the economy. Furthermore, we highlight our strategies for managing these impacts, and associated risks, and opportunities, to create lasting value for our stakeholders. In the 'Financial Statements' chapter, we present our financial performance for the year 2023. Lastly, the 'Appendix' consists of supplementary material to provide readers with more in-depth information related to the content discussed in the main chapters, including reporting methodology and reporting index.

Sustainability reporting

The sustainability reporting of this document (chapters 'General', 'Social', 'Environment', and 'Governance') is prepared in accordance with the Global Reporting Initiative's (GRI) Standards and is assured by a third party.

The information that has been subject to external assurance is identified in the reporting (GRI) Index and have all obtained the Limited Assurance Level. Please refer to page 126 and 127 for the Independent Auditor's Assurance report.

Financial reporting

The reporting of our Financial Accounts (chapter 'Financial Statements') follows the accounting principles generally accepted in the United States of America ("USGAAP"). The Financial Accounts have been audited by a third party. The Audit Report can be found on pages 106 and 107.

Board approval

This report has been approved by G2 Ocean's Board of Directors.

For more information about this report, please refer to pages 110 and 111 of the Appendix.





Pulp loading in Harmac, Canada. Photo: G2 Ocean

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A year of continuous improvement and development

G2 Ocean continued its focus on service and business development in 2023, during which time our sector normalised from an extraordinary 2022 and performance remained solid.

Over the year, we saw advancements in our sustainability performance, a gross revenue of USD 1 395 million, and a distribution of USD 520 million to our pool participants.

Reflecting on 2023, I am very appreciative for the progress and results we have seen at G2 Ocean. It has been a year of focusing on further improving and developing our service offering and organisation to better meet our global customers evolving needs. It is with a great pleasure that I share some of our highlights with you in this report.

Throughout the year, we have faced turbulence and changes in the shipping industry. Our markets experienced substantial movements in rates. Amongst the main factors contributing to this volatility were the unwinding of port congestion in the aftermath of the Covid-19 pandemic, trade adjustments between major economies, volatile fuel costs, and high inflation and interest rates dampening consumer demand. These factors led to a challenging business landscape for G2 Ocean and the industry as a whole.

Despite these challenges, I am pleased to share that G2 Ocean achieved strong financial results in 2023. The past year has once again highlighted the rapid pace of changes in our business environment and emphasised the importance of maintaining an agile, robust, and resilient organisation who seize opportunities amidst uncertainty.

Developing and sustaining high-performing teams
G2 Ocean truly values its workforce of nearly 330 employees and we are proud to offer a workplace that keeps them engaged and motivated. In 2023, we were encouraged to see high results and improvements in employee's perception of their workplace. An impressive 97% of employees feel proud to work at G2 Ocean, up from 91% in 2022. Additionally, 97% are enthusiastic about their work tasks, and 93% are satisfied with their workplace which represents an increase of 10 percentage points compared to 2022.

We see a direct link between the wellbeing, satisfaction and engagement among our employees, and the progress

of our strategy. Fostering a positive work environment that attracts and retains talent has been, and will continue to be, a priority for G2 Ocean.

A year of improvements
In a year full of challenges and opportunities, we were able to leverage our strong market position and improvement efforts to achieve good results. We ended the year with a gross revenue of USD 1 395 million and distributed USD 520 million to our pool participants. This result can be attributed to our organisation's drive to enhancing customer services and improving our business processes.

One of the key initiatives we launched in 2023 was an improvement program aimed at enhancing safety, port productivity, and reducing time waiting for berths. Through strategic partnerships with ports and service providers, we were able to deliver tangible results, leading to increased customer satisfaction, improved port efficiencies, and reduced vessel emissions. We are excited about the opportunities this program has created and look forward to continue exploring new partnerships to further enhance our services for the benefit of our customers in 2024.

In 2023, our focus on strengthening our position as a trusted project cargo transportation partner has been evident. We witnessed our project cargo volumes reach 2.8 million revenue tons, marking the second consecutive year of record-high volumes.

While we celebrate our achievements, it is important to address a tragic incident that occurred onboard one of our vessels in 2023 during a cargo loading operation, resulting in the loss of a stevedore's life. At G2 Ocean, the safety and well-being of everyone working in and for our organisation are of utmost importance. We are committed to continuously improving our safety culture and ensuring that safety receives the attention it deserves from everyone, every day, at every port call. I am pleased to share

that in 2023, we saw a significant 20% reduction in injuries among the stevedores engaged by G2 Ocean for cargo loading and discharging operations at port. This progress is a testament of our collective efforts in creating a safe working environment. We remain dedicated to fostering a culture of safety and will continue to implement measures to further reduce the risk of incidents and injuries.

Developments presenting risks and opportunities
Looking ahead, we identify three developments that will have a significant impact on our business environment. These bring new risks and opportunities.

The first is the introduction of new technologies including Artificial Intelligence (AI), Big Data Analytics, the Internet of Things and 3D printing. These technologies are becoming more widespread, and can help us in many ways. We can use AI and Big Data Analytics for predictive vessel maintenance, route optimisation, and online booking. With 3D printing, we can produce spare parts on-demand, which reduces logistics costs and improves repair times. With digital advancements, cyber security is more important than ever, and we remain committed to protecting our operations and ensure the security of our data.

Secondly, as inflation and interest rates decline, we foresee an increase in investment and demand. Emerging economies in Asia, such as Vietnam and India, are positioned to benefit from their youthful demographics and robust domestic demand. We will continue to focus on these areas through our emerging markets strategy.

Lastly, we see greater attention to sustainability driven by increased regulatory requirements, stronger business commitments, and higher expectations from stakeholders.

At G2 Ocean, we are committed to improving our sustainability performance, and reducing vessel emissions is among our priority areas. In 2022, we set the ambitious targets of reducing the carbon intensity of our vessels by a minimum of 40% by 2030 compared to 2008 levels

and becoming a net zero emissions company by 2050. To help us achieve these goals, we developed a decarbonisation roadmap in 2023, which identifies our key areas to effectively reduce emissions. We are happy to report that in 2023, we saw a 13% reduction in our total vessel CO₂ emissions. We are also pleased to see that the green transition is on its way. In 2023, one of our shareholders, the Grieg Maritime Group invested in four ammonia-ready vessels that will join our fleet in 2026. These vessels, as well as future additions, will not only enhance our service offerings but also significantly reduce emissions from our vessel operations in the long run.

In addition to addressing our own emissions, we also aim to reduce emissions produced by our suppliers. In 2024, we will map out our Scope 3 emissions from purchased goods and services, set reduction targets for these emissions, and implement measures for achieving them.

Well positioned for future value creation
At G2 Ocean, we are well positioned to navigate through uncertain times, and are optimistic about the future. We have a highly skilled and motivated workforce, a structured sustainability roadmap, a growing business and are supported by a historically low dry bulk market orderbook. With these foundations in place, I believe G2 Ocean is well position to continue to deliver long-term value to our stakeholders.

Thank you for your ongoing support and commitment to G2 Ocean. I look forward to our continued journey together.


Arthur English
Chief Executive Officer G2 Ocean





Gross revenue

1 395

million (USD)



Vessel CO₂ emissions (mt)

-13%

from 2022 to 2023



Innovation

34

innovation projects completed



Employees

328

nationalities



Diversity

55%

of new hires were female,
compared to 42% in 2022

28

Global offices

33

Global trade routes



Vessels

116

open hatch vessels



Port calls

3 056

port calls to nearly 60 countries



Cargo carried

24 939 870

revenue tons of cargo carried



Voyage days

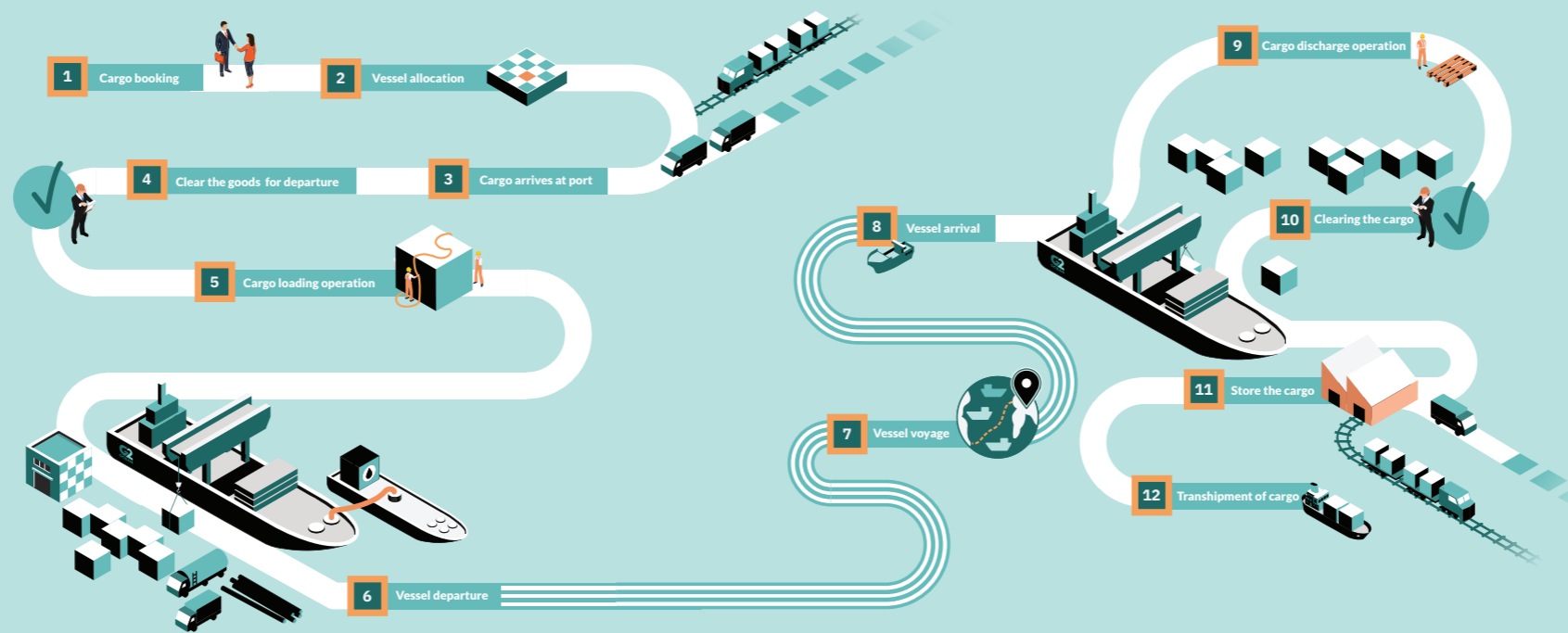
40 844

total voyage days

Illustration 2

A typical G2 Ocean cargo journey

- 1 Cargo booking**
G2 Ocean receives a cargo request from the customer and agrees on the most suitable transportation service according to the customer's needs and cargo requirements.
- 2 Vessel allocation**
G2 Ocean selects a suitable vessel for the cargo considering the origin and destination of the cargo, cargo handling and stowage requirements and timing of delivery. The vessel is provided from the G2 Ocean pool.
- 3 Cargo arrives at port**
The cargo is delivered at the port of origin.
- 4 Clear the goods for departure**
The cargo is custom cleared by a Port Agent hired by G2 Ocean to administer the arrival and departure of the vessel.
- 5 Cargo loading operation**
G2 Ocean hires stevedores to load and secure the cargo at the port of origin safely and efficiently. G2 Ocean's equipment is used to load the cargo safely and efficiently. G2 Ocean provides fuel for the voyage via a bunker supplier.
- 6 Vessel departure**
G2 Ocean departs the port assisted by tugs and a pilot contracted by the company.
- 7 Vessel voyage**
G2 Ocean executes the voyage from the port of origin to the port of destination in close cooperation with the vessel master and crew. G2 Ocean gives the vessel instructions on speed and fuel consumption. We also provide weather routing services to the vessel to ensure the safety of the vessel personnel, cargo and ship.
- 8 Vessel arrival**
The vessel arrives at the port of destination assisted by tugs and a pilot contracted by G2 Ocean.
- 9 Cargo discharge operation**
G2 Ocean hires stevedores to discharge the cargo at the port of destination safely and efficiently. G2 Ocean's equipment is used to discharge the cargo safely and efficiently.
- 10 Clearing the cargo**
The cargo is custom cleared by a Port Agent hired by G2 Ocean to administer the arrival of the vessel.
- 11 Store the cargo**
The cargo is discharged and, depending on the contractual terms, transferred to a safe location waiting for collection by the receiver.
- 12 Transhipment of cargo**
In many cases, G2 Ocean arranges transhipment or further on-carriage if required.



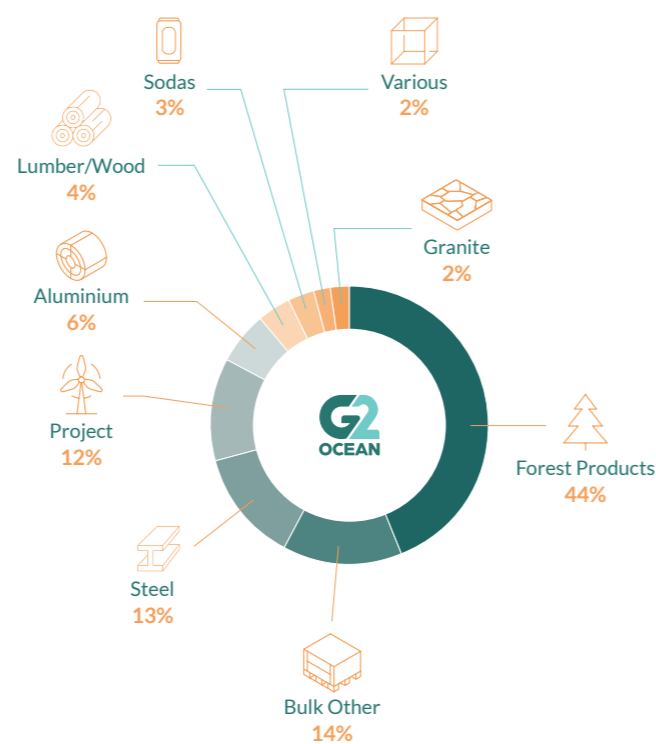
this overall reduction, 2023 saw the second consecutive year of record-high volumes in project cargo, reflecting our dedication to becoming a trusted project cargo transportation partner. G2 Ocean's commitment to expanding the project cargo segment, while concurrently increasing overall revenue ton volumes, showcases a forward-looking approach to balancing growth and specialisation. Looking to Figure 1, forest products remained the largest commodity group transported by G2 Ocean in 2023. However, the volume from this commodity group decreased somewhat compared to the previous year.

2024 outlook: Cautious optimism

Our outlook for the dry bulk shipping market in 2024 is cautiously optimistic, with several factors impacting both the supply and demand sides. On the demand side, uncertainties persist due to global macroeconomic risks, challenges in the Chinese property sector, and the potential impact of geopolitical events on the global economy. However, recent events at the Panama Canal and in the Red Sea present potential market upside, as transit restrictions could redirect trade routes towards longer-haul routes, supporting tonne-mile demand.

Moreover, vessel supply is projected to grow moderately, aligning with global economic growth. As seen in Figure 2, dry bulk trade in ton-miles is expected to increase by 2% in 2024, with a significant contribution coming from minor bulk. This growth is accompanied by a forecasted vessel supply increase of slightly over 2% in 2024. The market outlook is more positive from 2025 onwards. Fleet growth is

Figure 1
Percentage of cargo carried in 2023 by revenue tons

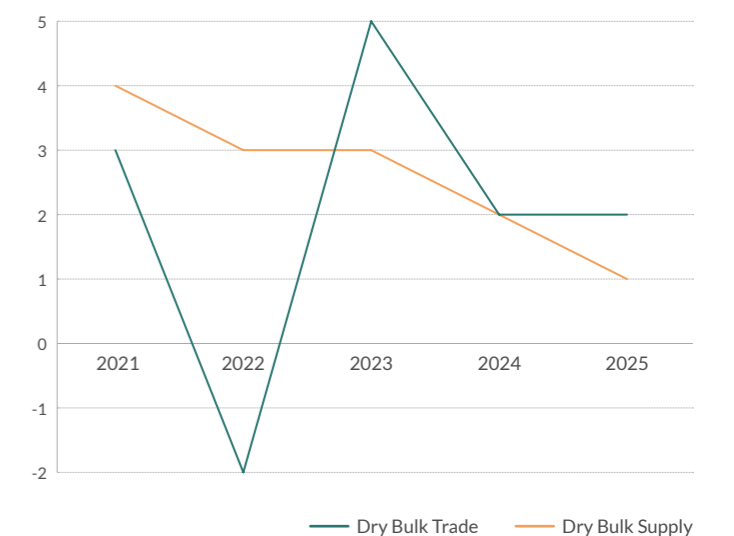


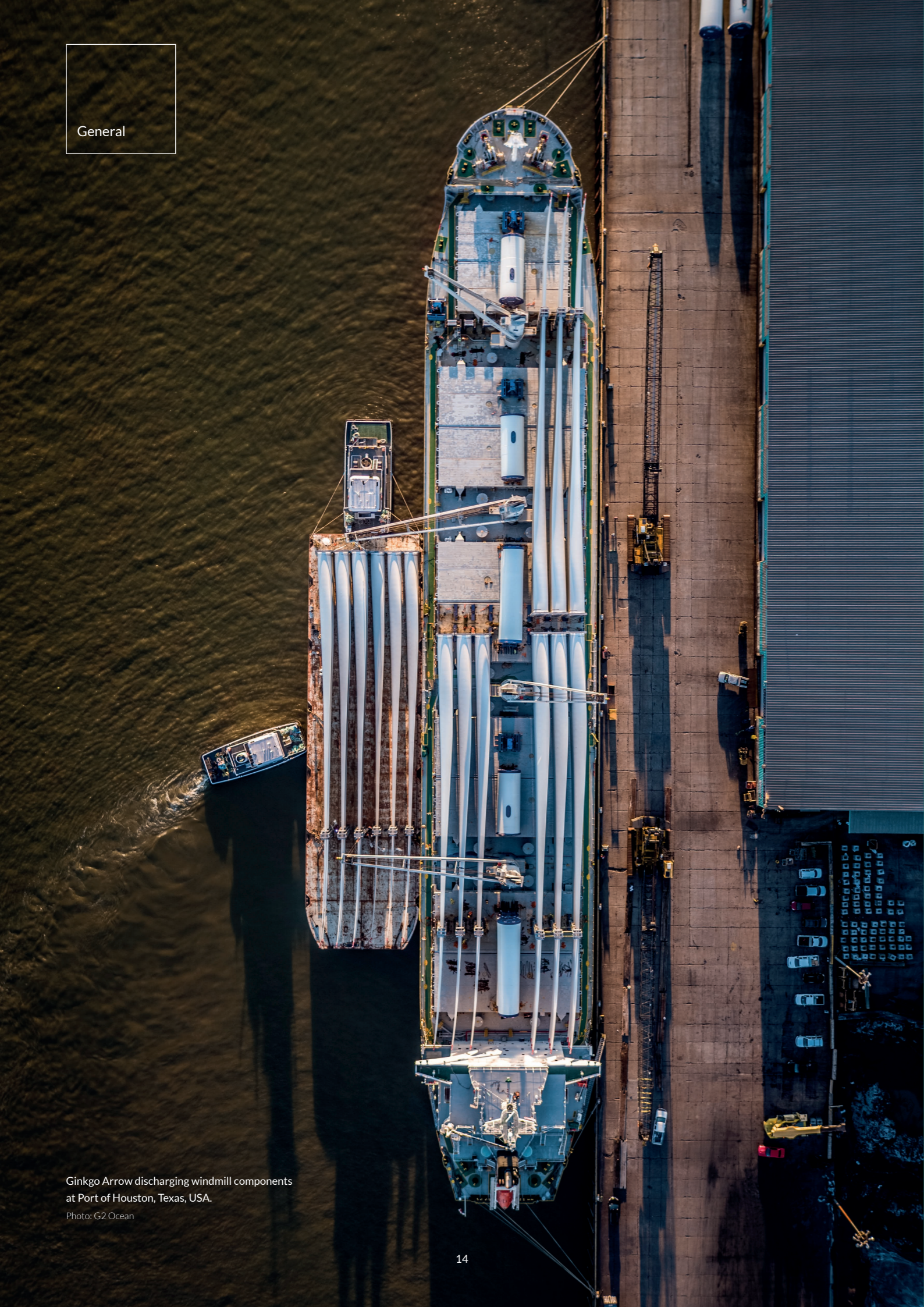
expected to slow considerably from 2025 while, especially, minor bulk shipments are expected to grow, providing a positive outlook for future market rates.

Container companies will continue to face significant challenges in 2024. Overcapacity, downward pressure on freight rates, and a gloomy macroeconomic outlook pose obstacles to profitability. While the Red Sea crisis has led to a surge in freight rates, it may not be enough to counteract the continuous influx of new ships. The current order book for container ships scheduled for delivery in 2024 and 2025 corresponds to approximately one-fifth of the existing fleet, presenting a substantial challenge.

Whilst the disruptions in the Red Sea have primarily affected the container market, the anticipated impact on bulk carriers is expected to be relatively modest. Recent occurrences of attacks on bulk carriers raise concerns, and should the situation escalate to a point where all ships face limitations in traversing the Red Sea, a surge in freight rates is anticipated. This is due to the re-emergence of supply chain bottlenecks, as the necessity to navigate greater distances around Africa would tie up an excessive amount of shipping capacity.

Figure 2
Supply-Demand Dynamics





Ginkgo Arrow discharging windmill components at Port of Houston, Texas, USA.
Photo: G2 Ocean



Strategy, Stakeholders and Governance

Strategy

G2 Ocean is eager to lead the way in pioneering sustainable shipping solutions. We firmly believe that the world requires shipping services that are not only safe, reliable and flexible, but also carbon-efficient and catered to meet customers' needs. We recognise our meaningful role in contributing to driving the green transition within the shipping industry. That is why we are committed to implementing operational and technical measures in collaboration with our shareholders to contribute to global carbon reduction efforts. You can read more about these initiatives on page 26 of the report.

Our strategic plan for the next decade is centred around five key areas, as shown in illustration 3. Sustainability is connected to our strategic priorities, with each focus area contributing to one or several of the 7 United Nations Sustainable Development Goals (SDG's).

We are committed to integrating sustainability in every aspect of our operations because we see sustainability as

an opportunity for improvement, growth, and creating long-term value for customers, shareholders, employees, and other stakeholders.

To ensure our strategic plan remains relevant, our Board of Directors review and revise it annually together with our Leadership Team, taking into account changes in our internal and external environment, including sustainability matters.

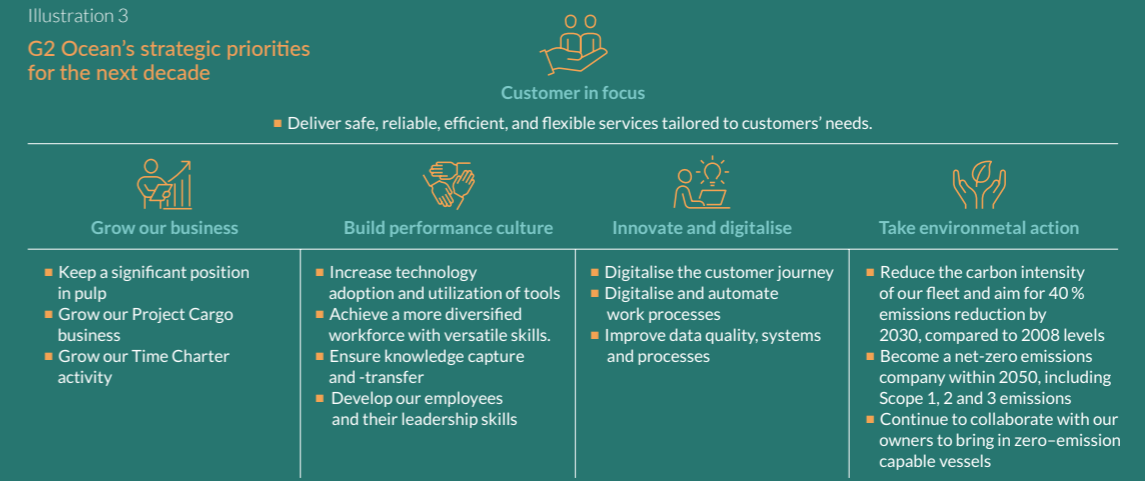
Please refer to pages 128 and 129 of the Appendix to learn more about our efforts related to the individual Sustainable Development Goals's.



5 strategic focus areas
Our strategy is centred around five key focus areas.

7 SDGs
Our strategic focus areas contribute to 7 out of 17 sustainable development goals.

Illustration 3
G2 Ocean's strategic priorities for the next decade



Relevant documents

- Code of Business Ethics
- Human Rights and Decent Work Conditions Policy

- Whistleblowing Policy
- Behavioural Principles

Stakeholder Management

Stakeholder management is a crucial aspect of G2 Ocean's operations. Our stakeholders include individuals, organisations, authorities, and societies who are affected by or have an impact on our global shipping activities. By understanding their needs and interests, we can shape our strategy, and effectively manage actual or potential impacts, risks, and opportunities in our operations and across our value chain.

In 2023, we have actively engaged with various stakeholders, such as customers, suppliers, nongovernmental organisations, and regulators. We highly value the opportunity to engage with our stakeholders, as it allows us to discuss relevant topics, address critical issues, share knowledge, and build strong relationships. Our conversations often revolve around Environmental, Social and Governance topics, as these are areas of significant importance. For more details on how we interact and engage with our stakeholders, please refer to Table 1.

Key Sustainability Memberships and Ratings

At G2 Ocean, we believe that strong partnerships at the global, regional, national, and local levels are essential to accelerate sustainable development in the shipping industry.

In addition to the partners highlighted here, we collaborate with several other organisations globally and participate in projects to manage sustainability impact, risks, and opportunities, as well as promote sustainability practices.

Our contributions within our partnerships include among others sharing information and knowledge, participating in research studies and trials, and providing training and financial support.

International Cargo Handling Coordination Association (ICHCA)
In 2023, G2 Ocean became a member of ICHCA – a non-profit organisation dedicated to improving the safety, productivity and

Examples of G2 Ocean's partnership organisations



Table 1
Key stakeholder groups

Stakeholder group	Description	Key Dialogue Topics	Arena for dialogue
Shareholders	G2 Ocean's shareholders, Gearbulk and Grieg, are primary stakeholders and directly affect the company by deciding our strategic direction and priorities.	Financial performance, strategic direction, corporate governance, and sustainability.	Monthly Reports. Meetings.
Board of Directors	The Board of Directors are primary stakeholders. They have the overall responsibility of G2 Ocean and play a crucial role in the governance and oversight of the company. The Board of Directors decide our strategic priorities and direction.	Financial and organisational performance, corporate strategy, risk management, compliance, governance, and sustainability.	Board of Directors Meetings. Monthly Reports.
Leadership team and employees	G2 Ocean's leadership team and employees are primary stakeholders who directly affect and are directly and indirectly impacted by G2 Ocean's strategy, internal policies, and activities.	Corporate strategy, objectives, and results. Leadership and engagement. Performance management. Training and development. Employee well-being and safety. Corporate governance and culture. Cyber security and sustainability.	Surveys. Intranet. Webinars and Town Hall Meetings. Performance Review Conversations.
Customers	G2 Ocean's customers are primary stakeholders who directly affect the company economically, and whose expectations and needs guide G2 Ocean's strategic priorities.	Operational efficiency and safety. Customer satisfaction and service improvements. Decarbonisation.	Customer surveys. Industry events. Meetings. Dialogue/responding to inquiries. Marketing activities. Webinars.
Suppliers	Suppliers are impacted by G2 Ocean financially and indirectly by the company's emphasis on responsible business practices. This includes expectations for a collective approach to delivering services safely and sustainably, as well as a commitment to upholding human rights and ethical standards.	Safety, human rights and working conditions. Environmental protection, and sustainability governance. Anti-bribery and corruption.	Performance Review Meetings. Industry events. Tender processes. Dialogue/responding to inquiries.
Banks	Banks impact G2 Ocean's treasury activities related to cash management, payments, and availability of cash pool and credit facility to support the working capital. G2 Ocean influences the quality of services through its established compliance policies and procedures as well as through its transparent and close working relationship with the banks.	Treasury, cash management, funding and financial results. Sustainability and compliance. Anti-money laundering and anti-bribery and corruption.	Surveys. Industry events. Meetings. Dialogue/responding to inquiries. Technical and administrative support service. Marketing activities.

Stakeholder group	Description	Key Dialogue Topics	Arena for dialogue
Financial Hedging Counterparts	Financial hedging counterparts' impact on G2 Ocean's financial risk mitigation activities is related to the provision of credit lines for hedging of bunkers, freight forward agreements, foreign currencies, and carbon tax allowances. G2 Ocean influences the extent of service by being a competitive player.	Hedging, trading lines and compliance.	Industry events. Meetings/dialogue responding to inquiries. Marketing activities.
Insurers	Insurers impact G2 Ocean's risk management related to safety, security, and compliance by providing legal advice and financial coverage. G2 Ocean influences the quality of the insurers' loss prevention programs by sharing experiences and knowledge.	Loss prevention, legal protections, incident handling, compliance and sanctions.	Daily dialogue in the context of legal and claims issues. Bi-annual physical membership meetings.
NGOs and Industry Associations	Through its partnerships with non-governmental organisations and industry associations, G2 Ocean directly affects and is influenced by strategies, viewpoints, and actions related to safety, diversity, equality and inclusion, security, and anti-bribery and corruption, among others.	"Diversity, equity, and inclusion. Anti-bribery and corruption. Environmental protection. Cyber security."	Industry events. Meetings. Dialogue in the context of partnerships.
Public	Local communities are indirectly affected by G2 Ocean's activities through job creation, tax payments and environmental impact.	Environmental impact. Anti-bribery and corruption. Labour regulations and social programs.	Community fundraising and events. Career days. Plastic clean-up events.
Unions	Trade unions can influence the wages and working conditions of G2 Ocean's employees and workers in our value chain. Trade unions can also impact G2 Ocean's operations through labour strikes.	Labour rights. Diversity, equity, and inclusion.	Meetings. Dialogue/responding to queries.
Governments and IMO	Governments and IMO, directly and indirectly, impact G2 Ocean and its operating conditions through regulations.	Laws and regulations.	
Port Authorities	Port Authorities impact G2 Ocean's operations through local regulations and port infrastructure. G2 Ocean influences the port's finances through port fees and procedures through the company's focus on safety and responsible business practices.	Laws and regulations. Berth rights and port infrastructure. Operational efficiency. Health and safety.	Port site visits. Meetings.

General

efficiency of cargo handling and shipments worldwide. Through our membership, we raise awareness of safety issues and share safety and operational best practices with the aim of reducing the number of incidents in the cargo handling chain.

All Aboard Alliance

In 2022, G2 Ocean joined forces with 25 industry partners in establishing a new alliance for a diverse, equitable, and inclusive maritime industry – the All Aboard Alliance. Supported by the Global Maritime Forum, the Alliance provides a framework to help companies become more diverse, equitable, and inclusive. G2 Ocean is in the process of adopting this framework into its policies, procedures, and leadership practices. We also report on our efforts and progress every year.

EcoVadis

In 2022, G2 Ocean improved by two points in the Sustainability Assessment by the sustainability rating platform EcoVadis and was awarded the Gold rating for the fourth consecutive year. Only five per cent of the companies evaluated by EcoVadis met the qualifications for a Gold Rating and the score placed G2 Ocean in the top 3% of all companies assessed. The assessment of G2 Ocean's 2023 performance will be announced in Q2 2024.

Maritime Anti-Corruption Network (MACN)

G2 Ocean has been an active member of MACN since 2017. The global network consists of 196 member organisations from the maritime industry who collaborate on various initiatives globally to reduce corruption in the industry.

ICC Commercial Crime Services - International Maritime Bureau (IMB)
G2 Ocean is a member of the ICC Commercial Crime Services - International Maritime Bureau (IMB), a nonprofit organisation fighting against all types of maritime crime and malpractice.

Through our membership, we exchange experience and knowledge related to various types of maritime crime and consider measures proposed by IMB when implementing internal strategies for maritime security.

BIMCO

G2 Ocean is a member of BIMCO – the world's largest direct-membership organisation for shipowners, charterers, shipbrokers, and agents.

In partnership with other BIMCO members, we work to secure a level playing field for the global shipping industry by exchanging experiences and best practices, as well as promoting and securing global standards and environmental regulations for the maritime sector.

Material topics

In 2022, G2 Ocean conducted a traditional materiality assessment led by an internal ESG Committee. By engaging with internal (leadership team and employees) and external stakeholders (customers and suppliers) through dialogue and surveys, the assessment identified G2 Ocean's key areas of material impact throughout the company's

value chain on the society, environment, and the economy. These areas are presented in illustration 4. The Board of Directors have approved the results of the assessment, and the material topics are reviewed annually to ensure their relevance.

In 2023, while there were no changes to the list of material topics, we have strengthened our sustainability reporting practices related to all topics. Amongst the initiatives implemented includes establishing an Internal Review and Quality Assurance Committee to enhance the accuracy and quality of our sustainability reporting. Our efforts to improve our emission reporting were recognised in the 2023 PwC Climate Index where G2 Ocean successfully elevated its position from the lowest performance category, Category 5, in 2022 to Category 3 in 2023 alongside companies such as DNV, DNB, Hydro and the Kongsberg Group.

We are also taking steps to comply with the upcoming Corporate Sustainability Reporting Directive (CSRD) and have implemented initiatives to prepare for the regulatory changes, including conducting a double materiality assessment. So far, nothing has come up that changes our assessment of key sustainability impacts in relation to our reporting in line with GRI in this 2023 Annual Report. We aim to report in line with CSRD in the Annual Report for 2024.

G2 Ocean's material topics and their relevance to our company are described in greater detail in the chapters 'Social', 'Environment', and 'Governance'. Within each material topic, we explain our positive and negative impacts, what we do to manage them, as well as our company's performance and priorities for the future.

Governance

At G2 Ocean, we consider robust corporate governance as a fundamental element of long-term value creation for the benefit of employees, shareholders, customers, suppliers, and other stakeholders.

To ensure good corporate governance, G2 Ocean has adopted governance documents that set out our business conduct principles. We also apply the Norwegian Code of Practice for Corporate Governance as far as practicable for a privately owned company.

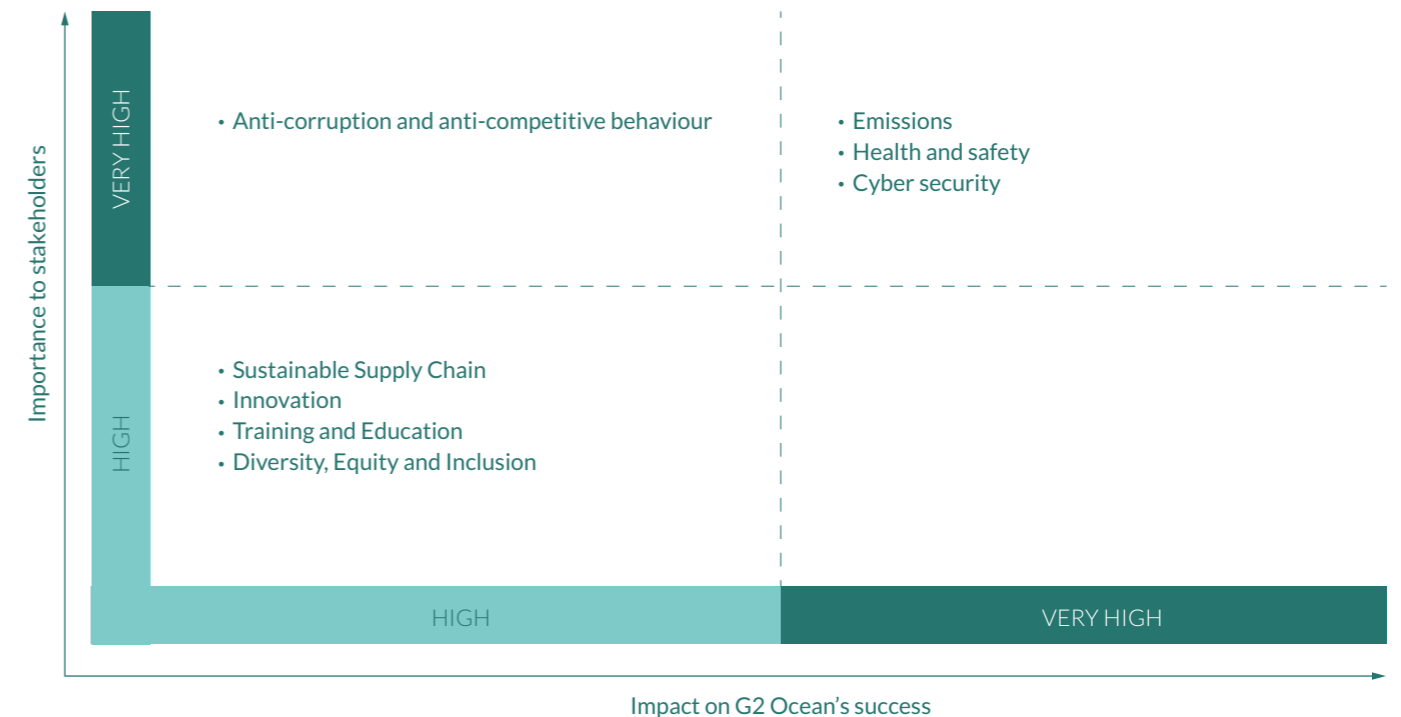
Through our governance, employees are accountable for their actions and behaviours. By empowering our employees to make decisions that contribute to organisational success, we create long-term value for our stakeholders.

The G2 Ocean Board of Directors

The Board of Directors (Board) have the overall responsibility for G2 Ocean and set its purpose and strategy.

As part of their role in ensuring good corporate governance, the Board approves G2 Ocean's strategies, policies, objectives, and sustainability ambitions. The Board is also responsible for internal control. According to G2 Ocean's Authority matrix, the Board is responsible for significant business decisions above a certain threshold. The shareholders have jointly agreed on specific matters that require approval from Directors nominated by Gearbulk and Grieg.

Illustration 4
G2 Ocean's material topics



The Board reviews and evaluates the strategy annually, including key objectives in areas like commercial, operational, digital, environmental, and organisational aspects. They recognise the importance of sustainability and are actively involved in the process of integrating sustainability into G2 Ocean's strategy. Enhancing the Board's collective knowledge on sustainability matters is a focus of the company's annual strategy meeting. Additionally, sustainability topics are regularly presented at regular Board meetings to educate and update them on the company's progress, key impacts, risks, and opportunities. The Board also reviews and guides major action plans on sustainability investments and initiatives, including oversight of the management of sustainability-related regulatory requirements and risks.

The Board has entrusted the Chief Executive Officer (CEO) with the authority to lead the Leadership Team in implementing the Board's strategy and coordinating G2 Ocean's activities for a holistic approach. Additionally, the CEO has further delegated authority to the CFO and ESG and Communications Director to effectively execute and manage the company's sustainability strategy. This ensures a coordinated and efficient implementation of our ESG initiatives.

The Board and the CEO meet and communicate regularly to ensure the continued successful development of G2 Ocean as a sustainable and profitable global shipping company.

Please refer to page 131 of the Appendix for more details about the G2 Ocean Board.

The 2023 Board of Directors comprises:

Kristian Jebsen – Chair
Kristian Jebsen is the Chair of the Board. He was appointed to the Board in 2017. Jebsen is the CEO, Chairman and one of the owners of Gearbulk. Jebsen was born in 1954. He resides in Switzerland and holds Swiss citizenship.

Camilla Grieg – Vice Chair
Camilla Grieg was appointed to the Board in 2017. She is Chair of the board at Grieg Maritime Group and has many years of experience in shipping and the maritime industry. She is also on the Board of a number of the companies within the Grieg Group and leader of the election committee at DNB. She was born in 1964 and is a Norwegian citizen and resides in Norway.

Matt Duke – Board Member
Matt Duke was appointed to the Board of G2 Ocean in 2021. He is the Group CEO of Grieg Maritime Group and is Chair of the Board in several of the companies within the Grieg Group and is Vice Chair of the Board of the Bergen Shipowners association. He was born in 1975 and is a United Kingdom citizen and resides in Norway.

Hans Olav Lindal - Board Member

Hans Olav Lindal was appointed to the Board in 2017. He has been a partner in the Norwegian based law firm Thommessen AS since 1993 and serves as a non-executive director at the Board of several companies predominantly in the maritime sector. He was the President of the Norwegian Shipowners' Association and was a Board Member of International Chamber of Shipping (ICS) until 2018. Lindal was born in 1962 and is a Norwegian citizen who resides in Norway.

Hans Petter Aas - Board Member

Hans Petter Aas was appointed to the Board in 2017. He is Board member in Gearbulk and has previously been chairman and Board member of several quoted and privately held shipping companies. He was born in 1946 and is a Norwegian citizen who resides in Norway.

Rune Birkeland - Deputy member

Rune Birkeland was the CEO of G2 Ocean from 2017 to 2020. Thereafter, he was appointed as a Deputy member of the Board. Birkeland currently serves as a Director of Grieg Maritime Group and as a Board member in the Wergeland Group. Rune has an extensive experience in various types of business both in management positions and Board of Directors. He was born in 1955 and is a Norwegian citizen who resides in Norway.

Tadashi Imai - Deputy member

Tadashi Imai was appointed as a Deputy member of the Board in 2018. He serves as an executive Director in Gearbulk and has been working in the shipping industry for 45 years. He was born in 1955 and is a Japanese citizen and resides in United Kingdom.

Our Code of Business Ethics

The Code of Business Ethics, which is approved by the Board, expresses principles to follow in terms of business practices, relations with business partners, anti-corruption, confidentiality and more. The guidelines are available in English, our official working language.

Our Director Compliance, Risk and Business Process is responsible for ensuring that the Code is followed by all employees, as well as the Board. It also applies to customers, suppliers, agents, stevedores, brokers, consultants, financial institutions, and other counterparties to which we provide or receive services from.

To help people apply the Code in our daily work, we have developed policies and procedures with more detailed guidance on compliance requirements. E-learning for all employees on compliance is also mandatory.

Through this e-learning and webinars, all G2 Ocean staff are made aware of their responsibilities and how they should conduct themselves. This ensures that what is included in the Code also has a positive impact on how we as G2 Ocean develop and implement our business strategies, operational policies, and procedures. Doing this also has a direct impact on how G2 Ocean works ethically with all its business relationships.

G2 Ocean does not tolerate any breaches of the Code or the law. Any misconduct should be reported and will have consequences for the employment relationship.

Human Rights and Decent Work Conditions

At G2 Ocean, we are committed to respecting internationally recognised human rights in our operations, value chain, and communities where we operate. By respecting human rights, we will not infringe on the human rights of others, address adverse human rights impacts and, ensure measures to prevent, mitigate and remediate such impacts.

Our Human Rights and Decent Work Conditions Policy, which is approved by the Board, serves as a compass to ensure we uphold and protect the fundamental rights of every individual. The policy interlinks with other policy documents such as our Code of Business Ethics, Supplier Code of Conduct, and grievance mechanisms, and outlines our commitment, approach, and responsibility to respecting human rights.

The policy is based on international human rights and labour standards, including those expressed in the following:

- The International Bill of Human Rights and other relevant human rights conventions
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The United Nations' Guiding Principles on Business and Human Rights
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

These include but are not limited to the human right to freedom of association; safe, healthy, and secure working conditions; collective bargaining and the human right of not being subject to forced labour, child labour or discrimination in respect of employment and occupation.

The policy applies to all G2 Ocean employees. All third parties performing work on behalf of, or when engaged in a business relationship with G2 Ocean, such as customers, suppliers and other counterparties we receive or provide services, are expected to apply similar effective policies to human rights and decent work conditions.

G2 Ocean personnel are responsible for ensuring that the principles of this Policy are implemented towards relevant third parties.

Norwegian Transparency Act

The Norwegian Transparency Act came into force on 1st July 2022. The purpose of the Act is detailed in section 1 of the Act and states: *"The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions."*

Measures implemented in 2023

As a part of the implementation of the Human Rights and Decent Work Conditions Policy, which in doing so ensures compliance with the Norwegian Transparency Act, we have implemented numerous measures aimed at ensuring compliance with the requirements of this policy. These measures entail, as a minimum, the identification of risks causing or contributing to adverse impacts on human rights and decent work conditions through G2 Ocean's own activities. The aim is to address such impacts when they occur. The use of adequate due

diligence processes also aims to prevent such risks from materialising in the first place and seeking to prevent or mitigate adverse impacts on human rights and decent work conditions.

Key actions that have been completed:

- Review and update of the Risk Assessment
- Ongoing Screening of all Suppliers for any Human Rights issues
- Analysis of all suppliers based on spend and risk. Based on this analysis, G2 Ocean completed a plan for high-risk suppliers to complete human rights assessments and actions
- Sent focussed Human Rights questionnaires to high-risk Bunker Suppliers based on materiality and Human Rights risk
- Interviewed key Bunker Suppliers and agreed actions on Human Rights areas

Actions to be completed in 2024:

- Continue to develop collaboration and improvements for high-risk suppliers
- Embed Human Rights into Strategic Procurement Projects
- Further develop Customer Due Diligence Process
- Develop a procedure for internal and external reporting of Human Rights issues

G2 Ocean received no requests in 2023 for information related to how we address potential and actual impacts on human rights and decent working conditions.

Remediation processes

Grievances

Grievances of our internal stakeholders, including the Board, leadership team and employees, are handled according to the national legislation applicable to the local office. The global and local employee handbooks contain descriptions of our local grievance mechanisms. This includes seeking advice and raising concerns regarding G2 Ocean's policies and practices for responsible business conduct as detailed in the Code of Business Ethics.

Our external stakeholders can raise grievances with their local G2 Ocean representative, and we aim to give priority to handling and solving these requests. Further, external stakeholders can raise grievances and seek remedies by seeking legal guidance.

Any reported grievances are followed up by the Leadership Team to ensure that firstly the grievance is replied to and investigated and secondly ensure that the grievance mechanism is working as desired, any issues are followed up with and, if required, processes and procedures are amended accordingly to ensure that such grievances do not re-occur if they are substantiated.

As well as dealing with formal grievances, the company ensures that any other actual or potential negative impacts caused by G2 Ocean, or its employees, are investigated and action is taken to remediate any actual impact. Such instances are brought to the attention of management and can be instigated via the Risk Management process, the Incident Reporting process or in day-to-day business.

While we are fortunate to not have received any grievances in 2023, we understand the importance of proactive monitoring. We assess the accessibility and visibility of our mechanism for seeking advice and raising concerns, ensuring that our current reporting channels are communicated and easily accessible to all stakeholders, both internally and externally. Additionally, we regularly review our grievance procedures. This approach allows us to continuously improve our grievance mechanism and ensure that it remains robust and effective, even in the absence of reported grievances.

As further described below, G2 Ocean has an online channel where stakeholders, both internal and external, can easily voice their concerns. We also have a procedure for processing requests which follows the Organisation for Economic Co-operation and Development's (OECD) guidelines where grievances caused or contributed to by the company will be remediated. We will also explore possibilities to participate in an existing non-judicial grievance mechanism operated by non-governmental organisations (NGOs) or civil society organisations, which encompasses human rights issues.

Whistleblowing policy and procedure

G2 Ocean has a Whistleblowing Policy to ensure that illegal, unsafe or unethical activities are reported, and reputational harm is avoided. To provide a secure and confidential platform for reporting workplace concerns, we have partnered with Navex Global, an external whistleblowing system. This platform enables employees and external individuals to report issues anonymously, including criminal offences such as fraud, bribery, and corruption, as well as harassment, bullying, discrimination, health and safety concerns, environmental damage, and miscarriage of justice. A link to the system is easily available on our intranet and external website. All notifications made through Navex Global are directed to the CEO and the Director of Compliance, Risk, and Business Process. They are responsible for ensuring that every report is thoroughly addressed and investigated, as necessary. Upon the conclusion of each matter, the whistleblower will receive a prompt notification regarding the outcome. G2 Ocean protects all who, in good faith and based on a reasonable belief, disclose concerns.

Zero whistleblower incidents were reported in 2023.

There were zero significant instances of noncompliance with laws and regulations in 2023. No fines or non-monetary sanctions were incurred. We consider all instances related to human rights, the environment, health and safety and labour issues to be significant.



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Emissions



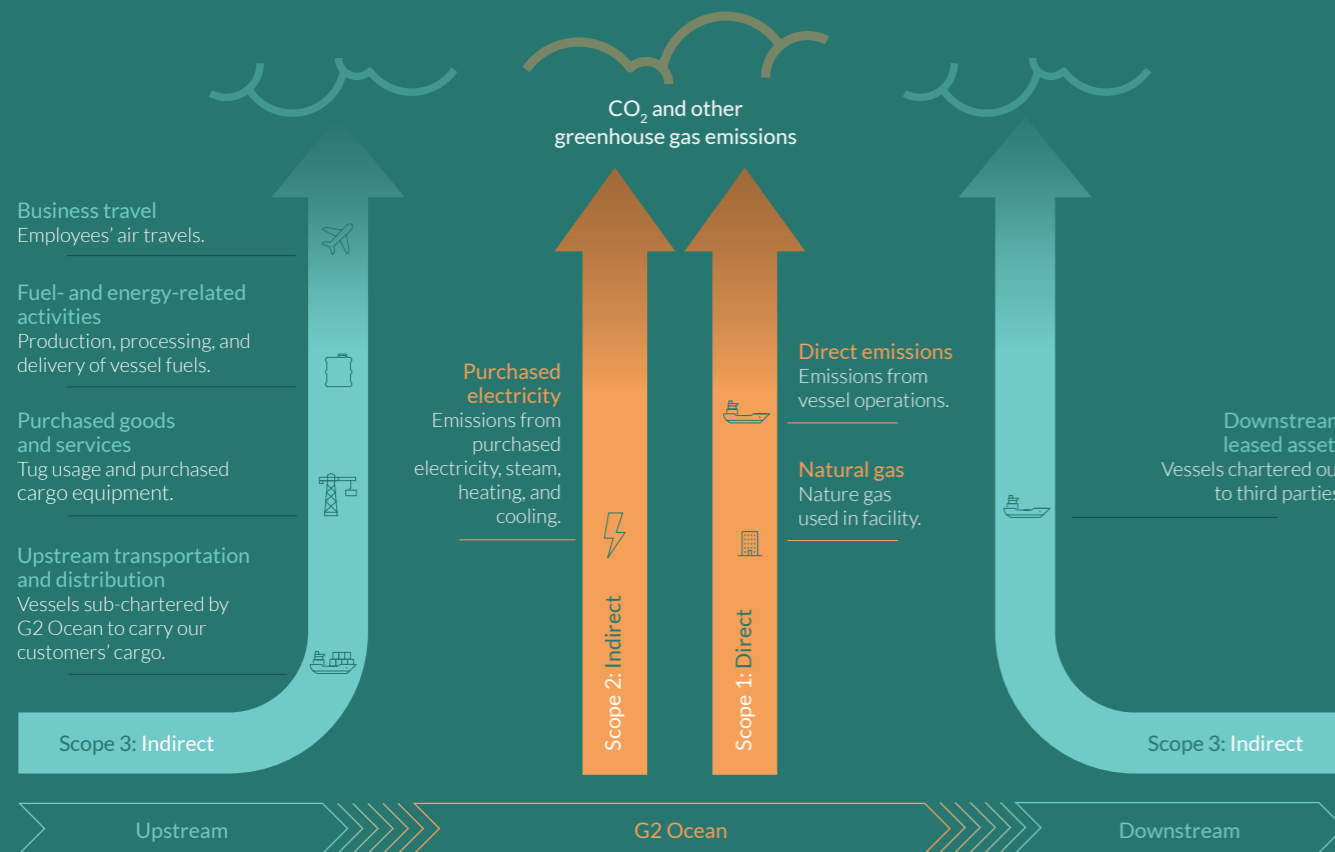
Emissions

As a global shipping company, G2 Ocean's business activities have environmental implications. Our direct impact on the environment arises from the emissions generated by our vessel operations. Additionally, our indirect impact extends to the goods and services we procure, air travel, upstream transportation, among other categories. These impacts pose regulatory, financial, and market risks, but they also present opportunities for growth, innovation and improvement. We are committed to becoming a net-zero company by 2050, and as such,

we actively work to address and capitalise on these factors to ensure long-term sustainability of our business and to make a positive impact on the environment, society, and the economy.

In this chapter, we describe our key environmental impacts, risks and opportunities, as well as the measures we take to effectively address them to ensure we meet our climate ambitions.

Illustration 5
G2 Ocean's main emission sources as defined by the 'Corporate Accounting and Reporting Standard' by the Greenhouse Gas Protocol Initiative (GHG Protocol).



Relevant documents Environmental policy

Our impacts, risks, and opportunities

Scope 1

G2 Ocean's direct emissions, also referred to as Scope 1 emissions, mostly stem from our vessels, which transport cargo for our customers, and represent 76% of our greenhouse gas emissions, making them the largest source of emissions across our value chain. Our vessels are propelled using heavy fuel oil and marine gas oil and produce Carbon Dioxide (CO₂), Sulphur Oxides (SO_x), and Nitrogen Oxides (NO_x) emissions when sailing. In addition, small amounts of Methane (CH₄) and Nitrous Oxide (N₂O) are released.

CO₂ is a major contributor to climate change, while SO_x and NO_x have a negative impact on air quality, habitats, and human health. Even though shipping is considered to be one of the most energy-efficient modes of mass transport, the industry, including G2 Ocean, still emits significant amounts of these pollutants. This presents various risks for our business, including potential environmental damage, regulatory penalties, and reputational harm. On the other hand, through our decarbonisation efforts, we see great opportunities for reducing our environmental impact, leading to potential new services and markets, and consequently increased revenues.

Scope 2

Our Scope 2 emissions cover the indirect emissions from the generation of purchased and consumed electricity, steam, heating, and cooling at our worldwide offices and cargo equipment workshop in Rotterdam, the Netherlands.

Our Scope 2 emissions are our smallest source of emissions, accounting for 0.005% of our total greenhouse gas emissions. Since these energy sources are essential to maintaining our business activity level, we see little potential in achieving significant reductions within this emission category. Our aim is to maintain our Scope 2 emissions at 2022 levels by preventing an increase in electricity consumption through energy efficiency measures and utilising renewable energy sources.

Scope 3

G2 Ocean's Scope 3 emissions consists of all indirect emissions that occur in the upstream and downstream activities of our business. At present, we do not have the complete data of our total Scope 3 emissions as we rely on external suppliers and partners for certain aspects of our operations, and their emission data are not currently readily available. With our current procedures and systems, we also have difficulties tracking indirect emissions from sources, an example being emission data from employee commuting. However, in line with our ambition of becoming a net-zero emissions company by 2050, we are striving to obtain Scope 3 emissions data so that we can effectively address our environmental impact.

A description of our main Scope 3 emissions is included in this section, while an overview of our secondary Scope 3 emissions is included in the Appendix.

Business travel

G2 Ocean has offices in 15 locations around the world and business air travel between offices, as well as to ports and customers, is necessary

to carry out our operations. Our business travel emissions represent 0.07% of our total greenhouse gas emissions. Since our business involves traveling by air, we consider the environmental impact of our flights and aim to keep air travel emissions at 2022 levels by restricting business travels to what's necessary, selecting direct flights if available at reasonable prices, and encouraging alternative modes of transport when possible.

Purchased goods and services

Emissions from tug services, equipment, and consumables used to support our operations fall under our Scope 3 emissions from purchased goods and services.

As illustrated in our value chain on pages 12 and 13, tugs are hired to ensure a safe vessel arrival and departure at the port. In some ports, the use of tugs is mandatory. G2 Ocean's use of tugs can have a negative impact on the environment. They typically use diesel engines, which can contribute to air pollution and greenhouse gas emissions. However, the specific environmental impact of tugs can vary depending on factors such as the size and efficiency of the vessel, the distance sailed, and the fuel consumption.

Equipment and voyage consumables, such as lifting gear and cargo securing equipment, are purchased to support G2 Ocean's cargo loading and discharging operations. These items have a lifecycle carbon footprint, from the extraction of raw materials used in the production phase to the disposal phase when they can no longer be used, due to safety and quality requirements. Made from metals, wood, rubber, polyester, polypropylene, and polyethylene, these primary raw materials are usually recycled by G2 Ocean when they are withdrawn from service. To learn more about how we manage our impacts, risks and opportunities related to purchased goods and services, please refer to pages 58 to 61.

Fuel and Energy-related activities

Our Scope 3 emissions from Fuel and Energy-related activities encompass the indirect emissions that occur in our value chain. This primarily includes the well-to-tank emissions, which are derived from the production, processing, and delivery of vessel fuels used to operate our vessels. Emissions from Fuel and Energy-related activities account for 17.3% of our greenhouse gas emissions.

Upstream transportation

G2 Ocean occasionally sub-charters capacity on other vessels to transport our customers' cargo. This is defined by the shipping industry as "relet transportation". Our emissions from relet transportation are categorised as our Scope 3 emissions from upstream transportation since it is a service acquired by G2 Ocean. The emissions are weighted based on our share of the total carrying capacity and represents 0.1% of our total greenhouse gas emissions.

Downstream leased assets

G2 Ocean occasionally leases out vessels to other companies for short- or longer periods. The emissions from these vessels are considered our Scope 3 emissions from downstream leased assets. This category accounts for 6.5% of total greenhouse gas emissions.

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What we do

Our climate ambitions

As part of our emission reduction commitment, we have established three climate ambitions. The first two target our Scope 1 emissions, while the third encompasses all emission categories, including Scopes 1, 2, and 3.

Our first ambition is to reduce the carbon intensity of our fleet by a minimum of 40% from 2008 levels by 2030, aligning with the strategy of the International Maritime Organization (IMO).

Secondly, to further reduce scope 1 emissions, we are dedicated to bringing in zero-emission capable vessels into our fleet by 2030.

Lastly, we aim to become a net-zero emissions company by 2050, a challenging but crucial target. It will require a comprehensive approach, including operational fleet performance measures, the adoption of alternative fuels, and collaboration with business partners to reduce emissions across our value chain. By working together with vessel owners, customers, employees, suppliers, and other stakeholders, we can make significant progress towards a more sustainable future.

G2 Ocean has not defined specific ambitions for the reduction of NOx and SOx emissions, but we are committed to following regulations implemented by the IMO that targets these emissions. New limitations on the sulphur content of fuel oil have significantly lowered our SOx emissions in recent years.

G2 Ocean's climate ambitions:

By 2030

- We aim to reduce the carbon intensity of our fleet by a minimum of 40% from 2008 levels.
- We aim to bring in zero-emissions capable vessels.

By 2050

- We aim to become a net-zero emissions company.

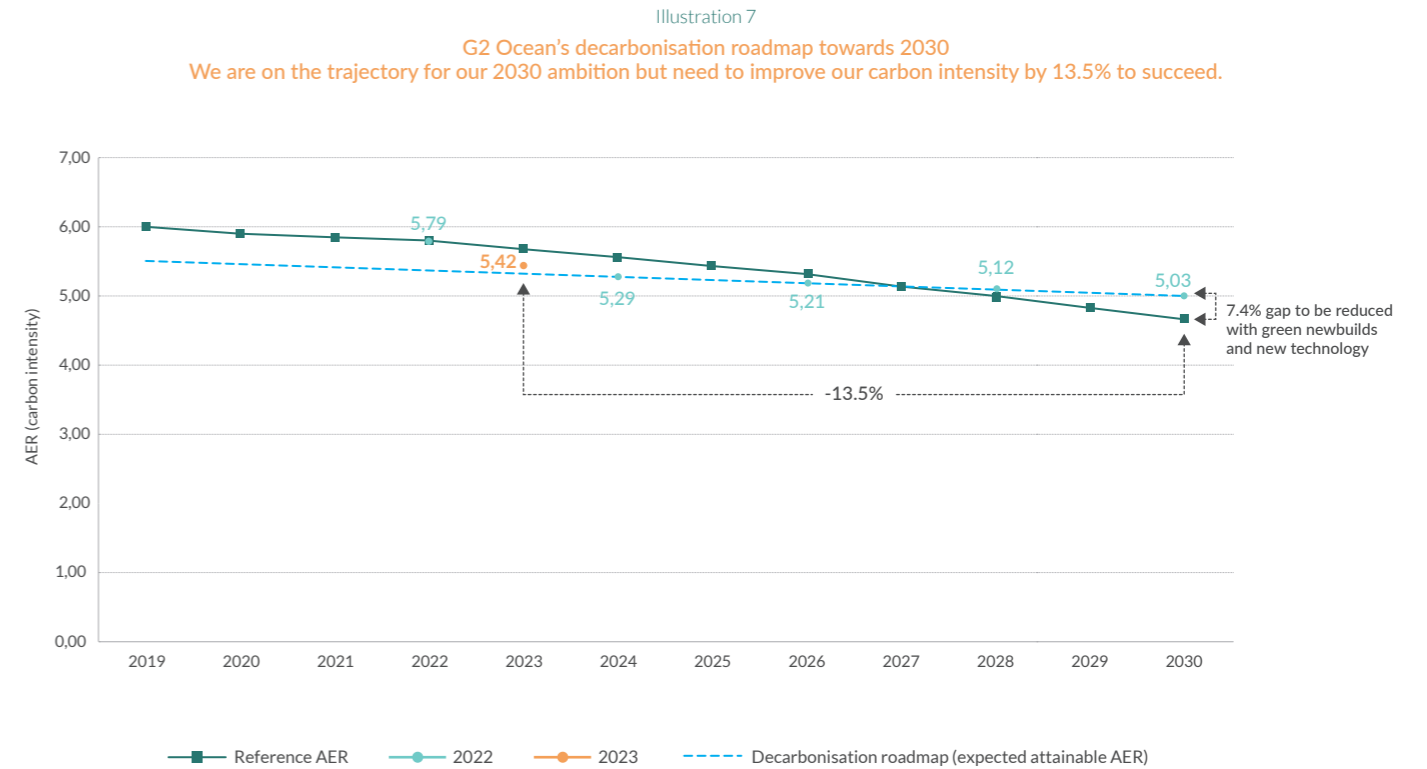
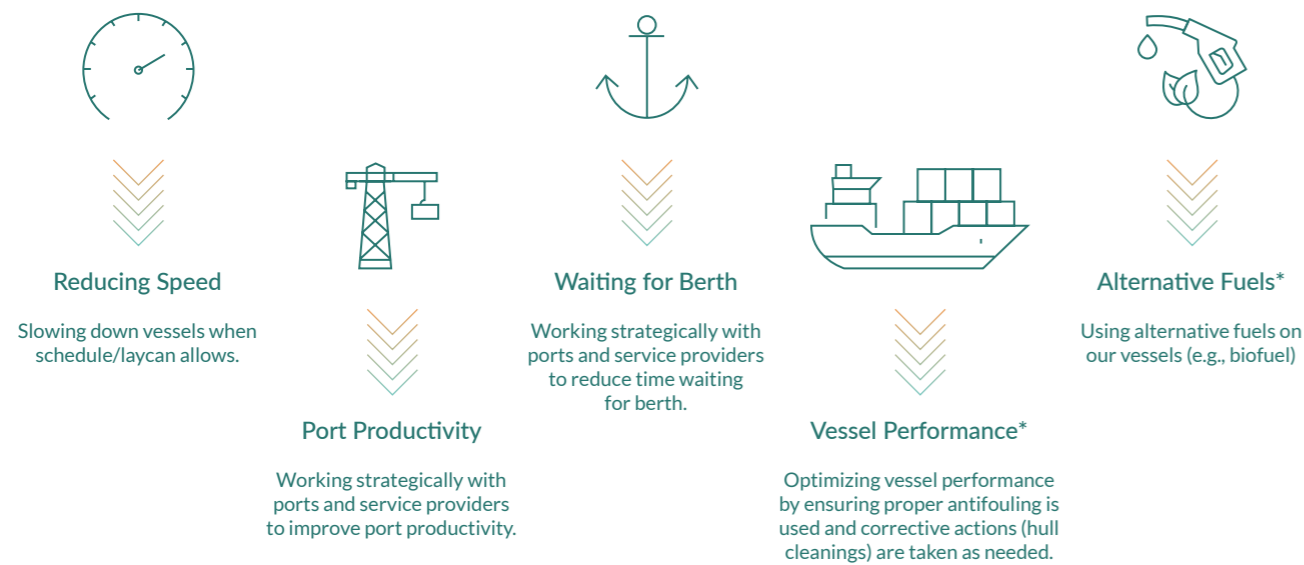


Illustration 6
G2 Ocean's Decarbonisation Levers



*The lever requires close collaboration with our shareholders and vessel owners.

Our Decarbonisation Roadmap

Journey to 2030

To deliver on our climate ambitions, we have developed a decarbonisation roadmap with a specific focus on reducing emissions from our fleet (Scope 1 emissions). This roadmap (illustration 7) identifies five key levers (illustration 6) G2 Ocean has control over to effectively reduce emissions over a 7-year period. Within each lever, we have identified prioritised actions and the attainable efficiency gains (illustration 8) of these actions measured by the Annual Efficiency Ratio (AER).

Illustration 7 shows the expected carbon intensity (AER) reduction of our fleet from 2023 to 2030, assuming the levers generate the expected efficiency gains. More detailed information about the levers and actions driving these efficiency gains is described in detail below.

Lever 1: Reducing Speed

Slow steaming is an efficient way of reducing the carbon intensity of our fleet. As the relation between vessel speed and fuel consumption is exponential, reducing the vessel speed will significantly lower the consumption. In 2022, most of the vessels in our fleet ran on the third lowest speed setting (Eco) or higher. In 2023, the majority switched to the second -lowest speed setting profile (SuperEco). While most of the benefits have already been gained from this measure, there is still room for improvement by operating at the lowest speed setting profile (UltraEco). At G2 Ocean, we aim to operate our vessels at the lowest minimum speed whenever laycan allows. Adjusting all vessels to the lowest setting can result in efficiency gains of 6.0%.

Lever 2: Improving Port Productivity

When our vessels are at berth, they use auxiliary engines to generate electricity, and using cranes for cargo loading and discharging activities requires a lot of power, which results in vessel emissions. By being more productive in port can reduce unnecessary fuel consumption and improve carbon intensity.

At G2 Ocean, we are working strategically with ports and service providers to improve port productivity, consequently reducing emissions. Based on our long-term port productivity forecast, these improvement initiatives, can help G2 Ocean achieve a 2.3% efficiency gain by 2030.

Lever 3: Reducing time waiting for berth

Depending on the congestion situation of a port, a vessel might have to wait for days or even weeks to get opportunity to berth. G2 Ocean makes more than 3 000 port calls annually, and the longer our vessel have to wait, the higher our carbon intensity becomes. To minimise waiting time, we work closely with ports and service providers. Based on long-term waiting for berth forecast, reducing the yearly average waiting time for berth to just 1 day by 2030, we can achieve a 2.04% efficiency gain.

Lever 4: Optimising Vessel Performance

To improve fuel efficiency, we regularly inspect the hull and polish the propellers of our vessels. The propeller plays a crucial role in generating thrust and minimising turbulence for optimal efficiency. Maintaining propellers is important for speed, power, energy efficiency and overall

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vessel condition. In 2023, we completed 140 propeller polishing operations.

We also use business intelligence dashboard to monitor vessel performance. These dashboards provide valuable information about the vessel's condition, estimated fuel consumption, and optimal speed. This information helps us make informed decisions for more efficient and eco-friendly vessel operations.

G2 Ocean also applies new technologies to help improve vessel performance. As an example, we are testing the use of robotic technology to clean the vessel hull while it is in transit. This helps lower emissions by increasing the frequency of hull cleaning. However, this measure only applies to G2 Ocean vessels, not vessels chartered by the company on short- or long-term contracts.

At G2 Ocean, we intend to reduce the average speed loss of our entire fleet to 2.89% by 2030. By doing so, we can improve our carbon intensity by at least 2.07%.

Lever 5: Use Alternative Fuels

G2 Ocean is actively preparing to adopt new low- and zero-carbon fuels. However, this transition is still in its early stages and will require regulatory changes, investments in new infrastructure, and customer support to succeed.

We have successfully conducted several tests using biofuel on transatlantic voyages, and currently, one of our vessels, the Jaeger Arrow, operates permanently on a blend of 30% biofuel and 70% residual fuel.

With the customers' interest in mind, we intend to increase our use of biofuel consumption to 3% of the total by 2030. This will result in efficiency gains of 3%. As biofuel is currently considered zero-carbon, there is a direct relationship between its use and the efficiency gains.

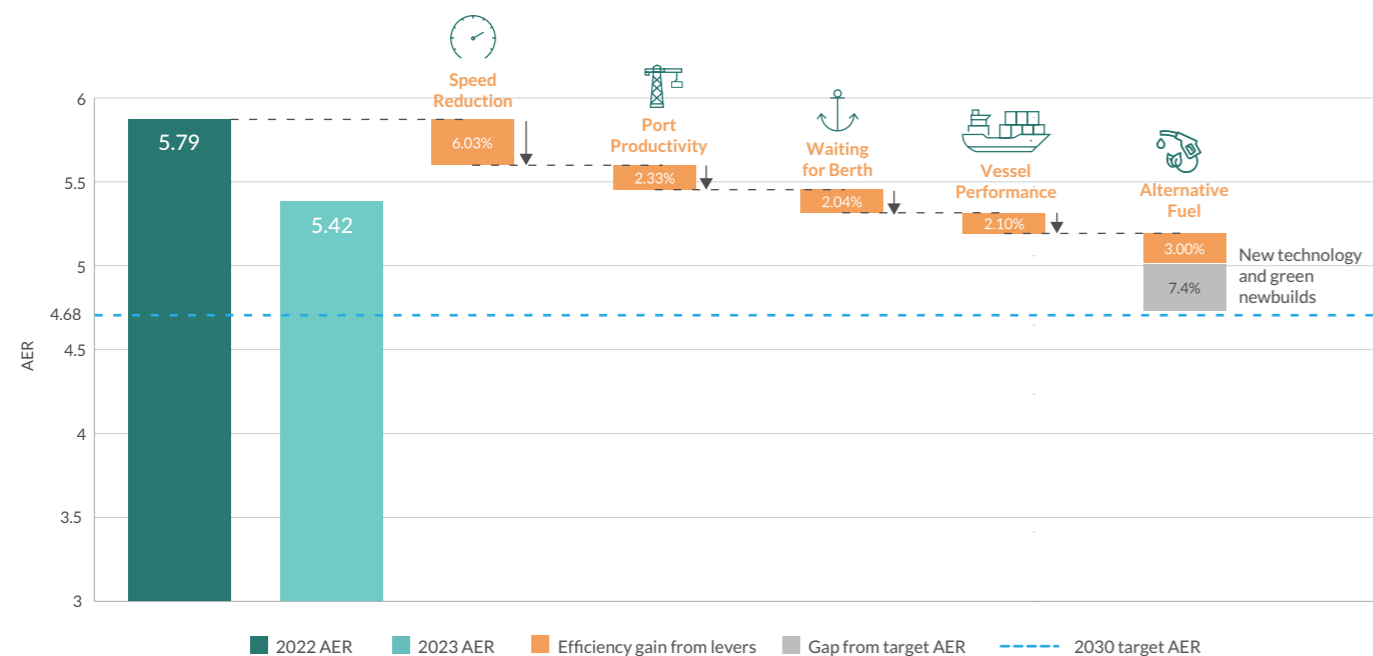
“
The investment made by Grieg represents a bold step forward in their commitment to G2 Ocean, our customers, and the environment.”

Arthur English
 Chief Executive Officer at G2 Ocean.



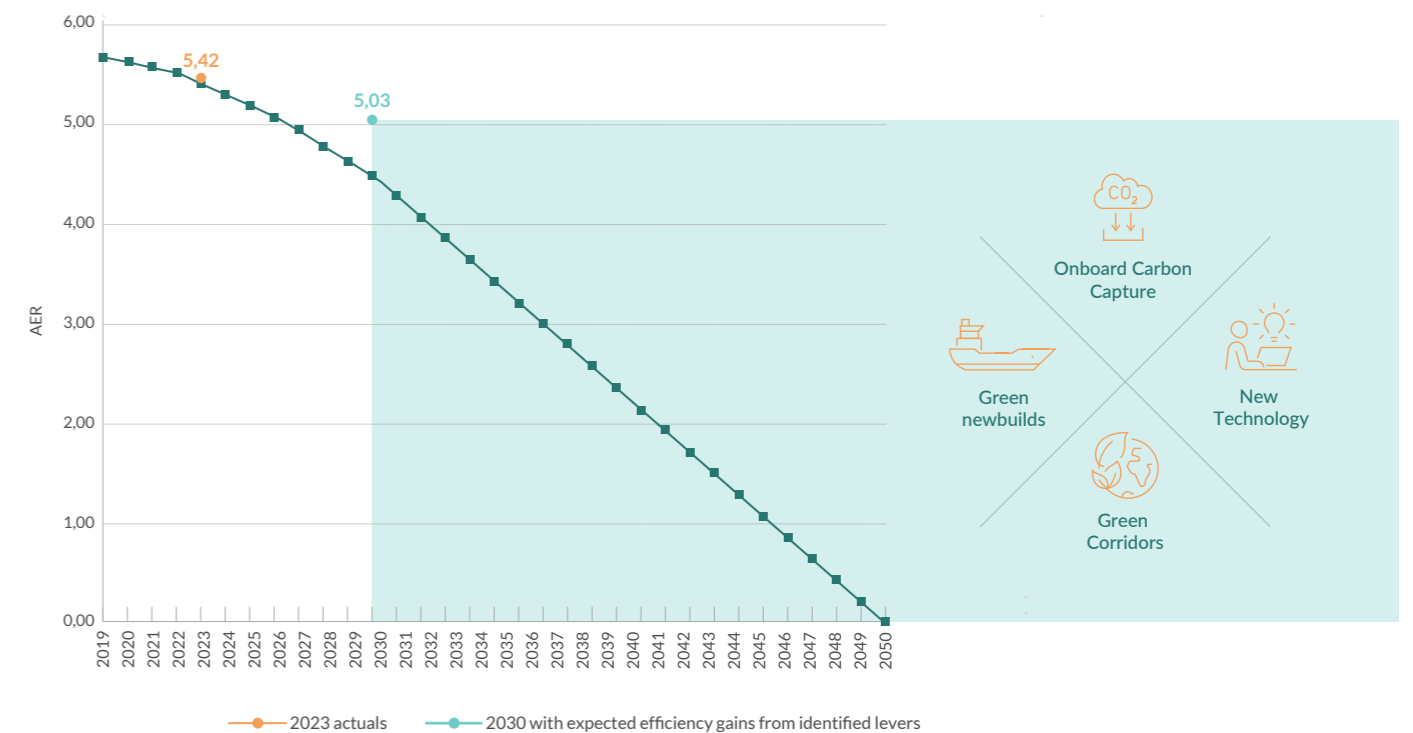
Illustration photo of the ammonia-ready 82,300 deadweight tons Open Hatch vessels which will be delivered to the G2 Ocean pool in 2026. Photo: Grieg Maritime Group

Illustration 8
 Overview of the expected efficiency gains from the identified levers.
 Total expected efficiency gains from identified levers: 13.2%



Note: The combined efficiency gains from all the levers working together will be less than when just adding up efficiency gains from individual levers. This is because of the interaction effect between the levers.

Illustration 9
 G2 Ocean's decarbonisation roadmap towards 2050



Looking towards 2050

On top of the levers and actions outlined in our decarbonisation roadmap, we are actively working on reducing emissions in the long term. To achieve our net-zero emissions goal by 2050, operational fleet performance measures alone won't be enough. We need to invest in new technologies such as onboard carbon offsetting, wind technology, batteries, energy storage, and zero-emission vessels, as shown in illustration 9. As a commercial shipping operator, we don't make these investments directly but collaborate closely with our shareholders to explore investment opportunities. In 2023, we were excited that one of our shareholders, the Grieg Maritime Group, invested in four ammonia-ready vessels, which will join our fleet in 2026. These additions will enhance our service offerings and significantly reduce emissions from our vessel operations in the long run.

Scope 2 emissions

To reduce emissions from electricity consumption, certified "green" electricity is utilised by our office in Gothenburg, and in our remaining offices, we focus on energy efficiency measures. In all our locations, we are tenants of office spaces with limited influence on the choice of energy suppliers and the energy consumption level of the buildings. In the short term, we offset all our Scope 2 emissions, as further described below. The offsetting funds are directed towards certified environmental and social projects.

Scope 3 emissions

Business Travel

To maintain our emissions related to air travel at 2022 levels, G2 Ocean has implemented various measures. Through our travel policy, employees are required to limit all business travel to what is essential, and travels must be approved. Employees are also required to select economy or premium economy class tickets for long-haul flights. Travels in these ticket classes have lower emissions than business class travels. To further reduce our environmental impact in this emission category, we evaluate the necessity of each trip and explore alternative transportation options or check opportunities for video conferences or local meetings.

Carbon offsetting

In the short term, we see carbon offsetting as making an important contribution to the climate challenge. Offsets will, however, play a minimal role in achieving our operated emissions reductions. In 2023, we purchased offsets from our carbon offset partner, Choose, to compensate for our 2022 emissions from purchased electricity (scope 2) and business travels (scope 3). Choose uses only high-standard verified credits. We plan to do the same for our 2023 emissions in these categories. G2 Ocean also provides customers with the opportunity to offset the emissions of their shipments via our digital carbon offset program. To date, none of our customers have purchased carbon credits to offset their emissions.

Our performance

Methodology and boundaries

G2 Ocean applies the principle of "operational control" in accordance with the GHG Protocol to consolidate the Scope 1, 2 and 3 emissions from our operations. As such, G2 Ocean accounts for 100% of the greenhouse gas emissions from the operations over which we have control. In our emission reporting, control is defined in the operational term, not financial.

For our vessel emissions (Scope 1), the emission figures include every vessel which carries cargo for G2 Ocean, including vessels chartered by G2 Ocean for short- or long-term periods (Time Charter Vessels). Vessels chartered out from our fleet to third parties are not included, as these vessels fall outside of our operational control.

In this report, the greenhouse gases related to scopes 1, 2 and 3 have been converted into carbon dioxide equivalents (CO₂e). All figures listed as CO₂e in the report are in metric tonnes.

Baseline years

Scope 1: Our baseline year for emissions from our vessel operations is 2018 as it was our first full year of operation and thereby formed our first complete data set. Starting in 2022, we began monitoring the carbon intensity of our fleet using the Annual Efficiency Ratio which is our key measure for carbon intensity. Additionally, in 2022, we started using sustainable biofuel derived from feedstock to power our vessels. Hence, historical data for these initiatives are available from 2022 onward.

Scope 2 (Purchased electricity): 2022 marks the baseline year for our Scope 2 emissions as it was the first year we had a complete Scope 2 emission data set for all offices using the same carbon conversion factor source.

Scope 3 (Business Air Travel Emissions, Fuel-and energy-related emissions, Emissions from upstream transportation (Relet), Emissions from Downstream Leased Assets): 2022 is our baseline year for Scope 3 emissions as this was our first year of collecting data for this emission category.

Further reporting definitions, assumptions, formulas, and calculations for our Scope 1, 2 and 3 emissions are described in detail on pages 119 to 121 of the Appendix.

Table 2: G2 Ocean's Climate Accounts

G2 Ocean's greenhouse gas emissions	Tonnes of CO ₂ e emitted 2023	% change from base year	Tonnes of CO ₂ e emitted 2022	% change from 2022
Scope 1 emissions				
Vessel Emissions	1 833 393.2		2 114 843	
Natural gas from facility	8.01		6.9	
Total Scope 1 emissions	1 833 401.2	-1%	2 114 849.9	-13%
Scope 2 emissions (location based)	123	-9%	135	-9%
Scope 3 emissions				
Category 1: Purchased goods and services	Data not available		Data not available	
Category 3: Fuel and energy related activities	417 050	-12%	475 583	-12%
Category 4: Upstream transportation and distribution	2 681	-86%	19 317	-86%
Category 6: Business travel	1 669	81%	922	81%
Category 13: Downstream leased assets	156 846	42%	110 420	42%
Total Scope 3 emissions	578 246.2	-5%	606 242	-5%
Total emissions	2 411 770.4	-11%	2 721 226.9	-11%
Scope 2 emissions (market based)	185	5%	176	5%

Scope 1 emissions

Carbon Dioxide Emissions (CO₂)

G2 Ocean has observed a downturn in market activity in 2023, leading to a 8.7% reduction in voyage days and a 9% decrease in distance sailed compared to the previous year. This, in combination with our decarbonisation measures, has reduced our total CO₂ emissions in metric tons from vessel operations by 13.4% from 2022 to 2023.

While absolute emissions reflect our environmental impact, they do not present a complete picture given our growth objectives. To align with IMO's standards and to accurately track our environmental performance, G2 Ocean has adopted the Annual Efficiency Ratio (AER) as the primary metric of carbon intensity. In 2023, our AER target for our entire fleet was 5.7. However, we performed better than

expected and ended the year with an overall AER of 5.42, which represents a 6.4% reduction in the carbon intensity of our fleet from 2022.

Alongside AER, we continue to monitor our Energy Efficiency Operational Indicator (EEOI), which has reached 12.33 tons of CO₂ per million-ton miles, marking a 16% increase from 2022. This rise is attributed to an uptick in Time Charter Out (TC out) activities and a reduction in overall cargo tonnage, due to a higher proportion of project cargo this year.

2022 marked the beginning of our AER reporting, establishing a foundational year for future evaluations and a commitment to enhancing operational efficiency and reducing emissions.

Table 3: Development Transport Work

Year	Distance (nm)	Steaming days	Transport Work (million ton*nm)	EEOI (ton CO ₂ per transport work)	AER (ton CO ₂ per transport work)
2018	6 289 676	23 610	179 993	10.16	
2019	5 690 629	21 955	157 307	10.89	
2020	6 121 078	23 186	172 490	10.14	
2021	6 377 205	23 725	200 685	10.02	
2022	6 882 054	27 052	197 676	10.63	5.79
2023	6 251 972	25 792	147 669	12.33	5.42

Note: Starting in 2022, we began monitoring the carbon intensity of our fleet using the Annual Efficiency Ratio (AER) which is our key measure for carbon intensity. 2023 marks the first year of reporting on our AER performance externally. 2023 marks the first year of reporting the carbon intensity of our fleet using the Annual Efficiency Ratio (AER).

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Development Transport Work

Due to less activity in the market, G2 Ocean's vessels had less distance and steaming days in 2023 compared to 2022. In 2023, there was also increased activity related to project cargo carrying, which is big in volume but small in weight. As transport work is calculated using how much distance a vessel has sailed and weight of cargo onboard (in metric ton), both factors played a role in lower transport work compared to 2022.

Biogenic emissions

In 2023, we increased the uptake of biofuel by 536% from 2022 and we aim to continue this positive trend in the years to come. The emissions are credited as zero emissions by the IMO and EU as it is made of sustainable feedstock. Please refer to table 5 to view the emissions related to the production, processing, and delivery of biofuels.

Other Scope 1 emission sources

Our Rotterdam workshop consumed 3 932 m³ of natural gas, used for heating.

Other vessel emissions

Sulphur Oxides Emissions

G2 Ocean's SOx emissions were greatly reduced from 2020, when IMO introduced the global 0.5% sulphur cap for marine fuel, down

from 3.5% previously. Since then, the variations have been caused by natural fluctuations in fuel compositions, as well as the changes in fuel consumption and the completed transport work.

Nitrogen Oxides Emissions

G2 Ocean uses a simplified method for calculating NOx, using a conversion factor between fuel consumption by types of engine and NOx emissions. This means that the emissions will be proportional to fuel consumption and the completed transport work.

As a vessel charterer, we do not have details on the NOx tier for each engine in our vessels. A detailed calculation would likely yield a lower emission, as the simplified method is considered conservative.

Scope 2 emissions

Our indirect emissions from the consumption of purchased energy for heating, cooling and lightning of our offices is shown in table 9. Using the location-based emission methodology, the emissions was reduced by 9% from 2022 to 2023. The reduction in is mainly due to lower local grid emission factors in the countries where G2 Ocean's offices are located.

Scope 3 emissions

Business Travels

Our Scope 3 emissions from business travels totalled 1 669.3 CO₂e

Table 4: Development CO₂ emissions

Year	Consumption HFO/VLSFO (mt)	Consumption MGO (mt)	Total fuel consumption (mt)	CO ₂ emissions (mt)	Global Warming Impact CO ₂ e (mt) Include contributions from CH ₄ and N ₂ O
2018	532 440	53 055	585 495	1 828 327	1 853 329
2019	482 017	65 930	547 947	1 712 567	1 735 533
2020	497 807	61 346	559 153	1 749 031	1 770 640
2021	571 743	65 498	637 241	2 011 572	2 019 296
2022	595 722	71 586	667 308	2 101 660	2 114 843
2023	522 664	59 075	581 740	1 820 980	1 833 393

Table 5: Biogenic emissions

Year	Consumption biofuel (mt)	CO ₂ e emissions (mt)
2022	380	1 077.01
2023	2 417	6 850.04

Table 6: Other Scope 1 emissions (natural gas)

Year	Consumption natural gas (m ³)	Conversion factor (kg CO ₂ e per m ³)	CO ₂ e emissions (mt)
2022	3 386	2.038	6.90
2023	3 932	2.038	8.01

(t) in 2023. This represents an increase of 81% compared to 2022, due to increased travel activity and physical meetings after Covid-19 travel restrictions.

The emission factor (t CO₂e per USD spent on employee air travels) increased by 33%, mainly due to a higher ratio of intercontinental flights in 2023, versus the less carbon-intensive domestic flights.

Purchased goods and services

At present, we unfortunately do not have any data available regarding Scope 3 emissions associated with purchases related to goods and services. This is due to the difficulties encountered in gathering the necessary information. Based on our assumptions, it is likely that our Scope 3 emissions related to purchased goods and services are among our largest emission categories. Therefore, it is important for us to gather accurate data in this area to effectively manage and reduce our environmental impact. Hence, we are working on improving our data collection process and aim to collect the data for Scope 3 emissions related to purchased goods and services during 2024.

Table 7: Sulphur Oxides Emissions

Year	Average sulphur content (%) HFO/VLSFO	Average sulphur content (%) MGO	SOx emitted (mt)	SOx per transport work (kg/mill t*nm)
2018	2.40	0.06	25 621	142.3
2019	2.03	0.07	19 662	125.0
2020	0.45	0.07	4 566	26.5
2021	0.45	0.07	5 237	26.1
2022	0.46	0.06	5 567	28.2
2023	0.45	0.06	4 770	32.3

Table 8: Nitrogen Oxides Emissions

Year	Nox emitted (mt)	Nox per transport work (kg/mill t*nm)
2018	56 159	312.0
2019	52 094	331.2
2020	53 328	309.2
2021	60 902	303.5
2022	59 793	302.5
2023	52 151	353.1

Table 9: Scope 2 emissions

Year	Market-based (t CO ₂ e) Purposefully chosen contractual instruments for 'green energy'	Location-based (t CO ₂ e) Local grid average
2022	176	135
2023	185	123

Fuel- and energy-related emissions

The production, processing, and delivery of vessel fuels (well-to-tank emissions) totalled 417 050 tonnes of CO₂e in 2023 – an improvement of 12.3% compared to 2022.

Upstream transportation and distribution (Relet)

G2 Ocean's share of emissions from vessels sub-chartered by the company to carry customers' cargo totalled 2 681 tonnes CO₂e in 2023, down 86.1% from 19 317 tonnes CO₂e in 2022 due to a significant smaller number of relet voyages in 2023. The emissions are calculated as "well to wake".

Downstream leased assets

G2 Ocean emissions related to fuel consumption from vessels leased to other companies totalled 156 847 tonnes CO₂e in 2023, up 42.0% from 110 420 tonnes CO₂e in 2022 due to chartering out more vessels in 2023.

Environment

Figure 3: Total travel emissions (t)

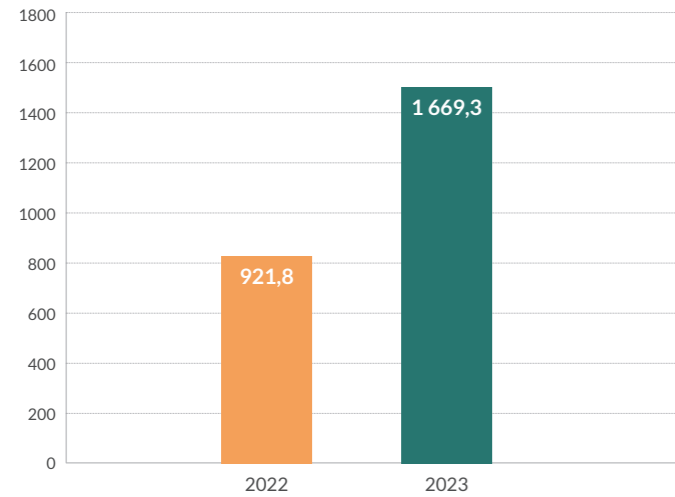


Figure 4: Total travel emissions per G2 Ocean employee

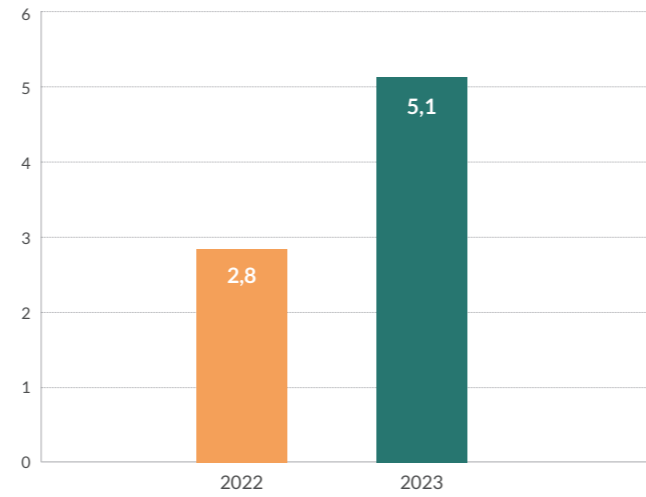


Table 10: Fuel and energy-related emissions

Fuel grade	2022			2023		
	Fuel consumption (tonnes)	Conversion factor (total kg CO ₂ e per ton)	Scope 3 emissions (tonnes CO ₂ e)	Fuel consumption (tonnes)	Conversion factor (total kg CO ₂ e per ton)	Scope 3 emissions (tonnes CO ₂ e)
Light Fuel Oil	595 722	709.08	422 414	521 310	714.86	372 684
Marine Gas Oil	71 586	740.70	53 023	58 013	743.83	43 150
Biofuel	380	384.86	146	2 417	502.91	1 215
Total Scope 3 emissions related to fuel:			475 583			417 050

Future priorities

To reduce emissions and reach our environmental targets, G2 Ocean will pursue the following initiatives in the years to come:

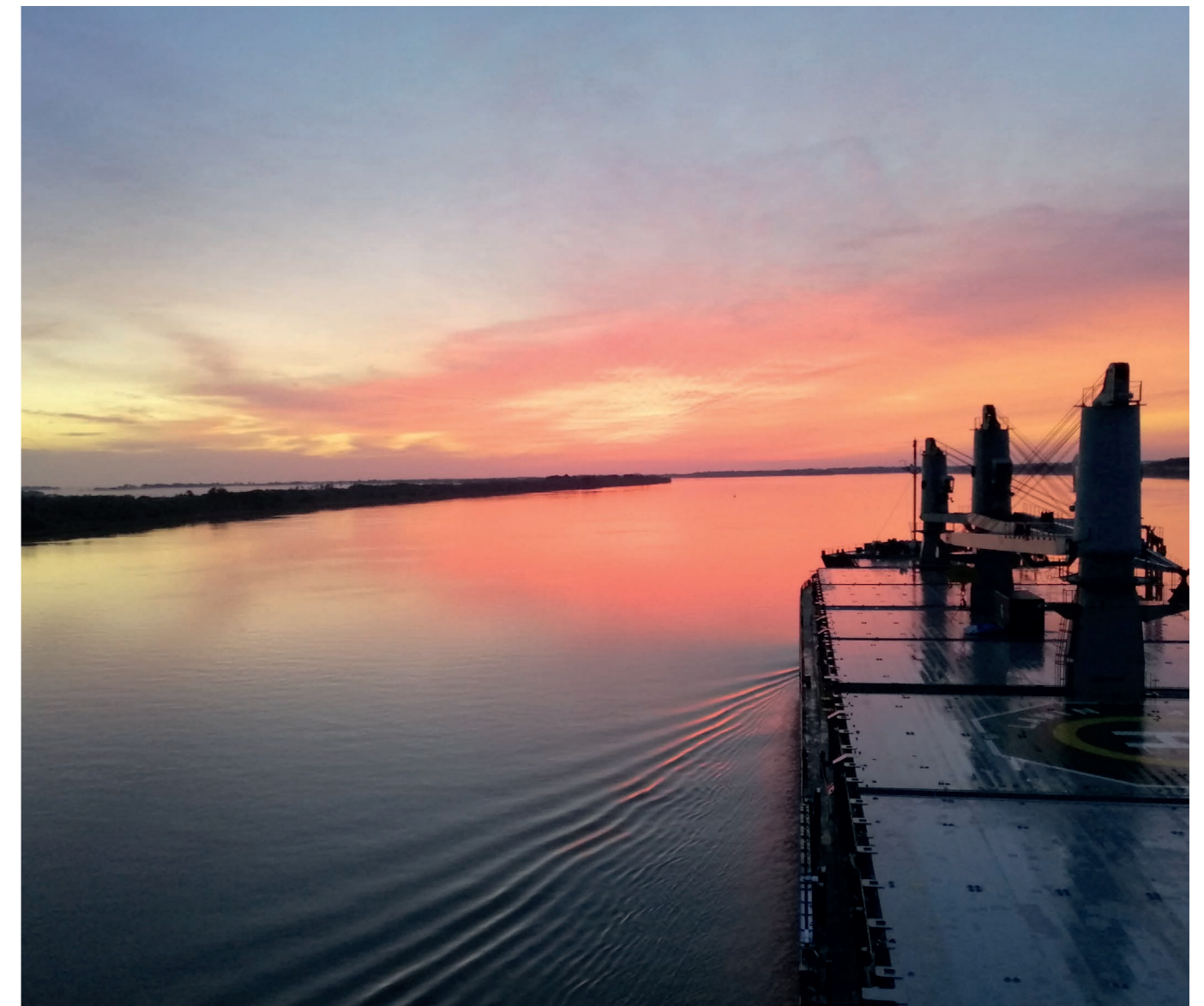
- To stay on track with our Decarbonisation Roadmap, we aim to establish an internal team dedicated to driving progress, monitoring performance, and making necessary adjustments along the way. We will also update our policies and procedures to ensure they align with our decarbonisation goals.
- Develop a new Emission Dashboard to ensure effective monitoring, reporting, and auditing.
- Maintain Scope 2 emissions at 2022 levels by preventing increase in electricity consumption.
- Maintain Scope 3 emissions related to air travel at 2022 levels by restricting business travels to what's necessary and selecting direct flights if available at reasonable prices.
- Map Scope 3 emissions related to purchased goods and services and develop strategies and action plans for reducing these emissions.
- Prepare customers and the organisation for the EU Fuel Maritime regulation which comes into force in 2025 through training and communications.

Table 11: Emissions from upstream transportation (Relet)

Year	Consumption MGO (mt)	Consumption HFO/VLSFO (mt)	Total consumption (mt)	Scope 3 emissions (tonnes CO ₂ e)
2022	1 020	3 941	4 961	19 317
2023	69	621	690	2 681

Table 12: Emissions from downstream leased assets

Year	Consumption MGO (mt)	Consumption HFO/VLSFO (mt)	Total consumption (mt)	Scope 3 emissions (tonnes CO ₂ e)
2022	2 718	25 739	28 456	110 420
2023	3 575	36 838	40 413	156 847



Lawin Arrow sailing into the sunset. Photo: G2 Ocean

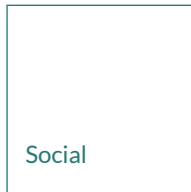


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Health and Safety

As a global shipping operator handling large and heavy units, we recognise that certain aspects of our business activities present health and safety risks to both G2 Ocean personnel and suppliers. These risks typically arise during our cargo loading and discharging operations in ports.

We firmly believe that all accidents, whether they cause harm to people, the environment, cargo, or assets, can be prevented. Through our procedures, health and safety training programs, communication efforts and close collaboration with vessel owners, suppliers, and customers, we actively work towards minimising these risks.

In this section of the report, you will find information of the health and safety impacts, risks and opportunities that arise from our activities.

Our impacts, risks and opportunities

At G2 Ocean, our cargo operations in ports involve the use of cranes and movement of heavy units, as well as manual labour required for hooking, lashing, securing, and monitoring cargo units. During the loading and unloading process, uneven surfaces and heights may emerge within the cargo holds of the vessel. This creates a potentially hazardous work environment, as supported by accident statistics. The most common types of injuries that occur during cargo operations are slips, trips, falls, and crush injuries. Additionally, there is a risk of falling objects, during crane operations.

The majority of G2 Ocean's employees, except for our port captains who represent 9% of our workforce, work in offices and are not directly exposed to health and safety risks of our cargo operations. However, our port captains play a crucial role in monitoring and supervising our cargo operations, and their presence means they are exposed to these risks.

G2 Ocean strive to have a positive impact on safety throughout our value chain. We collaborate closely with external parties involved in our cargo operations, such as stevedores who handle the loading and discharging of cargo in ports, as well as the vessel crew who supervises the cargo during the voyage. Collaborating closely with external parties to improve safety brings several opportunities. It allows for the sharing of knowledge and expertise, leading to enhanced safety practices and protocols. Additionally, it fosters a sense of collective responsibility and accountability, creating a safer environment for everyone involved in our operations. By working together, we identify potential and actual risks, implement preventive measures, and are able to continuously improve our safety standards.

As shown in the table below, both stevedores and crew face significant health and safety risks related to our cargo operations. Stevedores, in particular, are most exposed to these risks during cargo operations in port, as it is their main occupation. On the other hand, cargo handling is a minor part of the crew's responsibilities. The crew's role is to monitor and assist the cargo operations, and to take care of the cargo during the sea passage.

Table 13: Stakeholders exposed to health and safety risks

Stakeholder at risk	Activity	Health and Safety Risk
Port Captains, Stevedores, Vessel Crew	Handling of cargo during loading and discharging operations in port	Harm to people as a result of cargo-related incidents, including but not limited to slips & trips, falls, cuts, hit by object, exposure to toxic or oxygen-depleted atmosphere, flammable vapours or liquids and crush injuries
Vessel Crew	Transport of cargo at sea	Physical properties of cargo, including potential liquefaction of bulk cargo affecting vessel stability and crew safety Harm to people because of cargo-related incidents, including but not limited to slips & trips, falls, cuts, hit by object, exposure to toxic or oxygen-depleted atmosphere, flammable vapours or liquids and crush injuries Shifting cargo during the voyages, potentially affecting vessel stability and crew safety

- Relevant documents
- Occupational Health and Safety Policy
 - Supplier Code of Conduct
 - Human Rights and Decent Work Conditions Policy
 - Whistleblowing Policy

What we do

Safety Commitment

At G2 Ocean, we consider a safe and healthy work environment to be a human right. We are proudly committed to the [ILO Declaration on Fundamental Principles and Rights at Work](#), and our Supplier Code of Conduct specifically addresses issues like human trafficking, forced labour, and child labour. To ensure the well-being of our employees and external personnel involved in our operations, we have also made a formal commitment to achieving zero injuries. As part of our commitment to safety, we have implemented various initiatives to continuously improve our performance. These are further described below.

Health and safety management system

At G2 Ocean, we have implemented a health and safety management system which helps us manage and minimise health and safety risks. The system applies to all our 328 employees. It does not apply to the eight consultants who were engaged by G2 Ocean in 2023, with the following exceptions: We monitor their injury rates, and they are included in risk mitigating efforts related to workplace safety, for example fire drills. While our health and safety management system is not externally certified, it aligns with ISO requirements.

Our system includes our Occupational Health and Safety policy, which outlines staff responsibilities, health and safety objectives, and KPIs. It also encompasses our procedures for identifying hazards, managing risks, conducting audits and reviews. We conduct regular vessel inspections and create loading and discharging reports. Internal audits are conducted with a focus on employee and vessel safety.

Further, the system incorporates an incident reporting and analysis tool, as well as health and safety training. Lessons learned are captured and shared with our employees and the vessel crew, promoting a culture of continuous improvement. To keep safety at the forefront, we regularly hold Safety Moments at the beginning of company meetings.

Safety Culture

To enhance G2 Ocean's safety performance, we have implemented a set of shared safety behaviours across the organisation called the 5 Safety I's. These behaviours serve as a guide for employees in their daily work and provide a common language to discuss safety matters.

Insight: Seek and share insights on safety-related matters.

Intervention: Stop unsafe acts and conditions when necessary.

Influence: Influence your colleagues with good safety practices.

Innovation: Strive to be innovative and find safer work methods.

Integration: Integrate safety into all activities and work processes.

The safety behaviours apply to all G2 Ocean employees, and our ambition is for our safety culture to be characterised by these behaviours. According to our internal employee survey, respondents have positively noted the development of our safety culture in 2023, particularly in understanding and embracing the 5 Safety I's.

Reporting

G2 Ocean has an internal reporting system for reporting incidents, concerns and improvement proposals related to health and safety. Most reports are related to cargo operations. These are analysed to identify the root cause and actions are taken to prevent re-occurrence before reports are closed out. The hierarchy of controls is used to identify the most effective actions to prevent future incidents.

In addition, we have a whistleblowing policy and external reporting system in place. This system, accessible on our intranet and website, allows employees and external stakeholders to confidentially address any issues they may have. It provides them with a safe and anonymous platform to report concerns outside of regular reporting and communication channels.

To ensure transparency and promote safety, we also hold regular meetings with stevedores. These meetings serve as an opportunity for us to gain insights into any incidents. Moreover, we emphasise the importance of safety by including provisions in our contracts with stevedoring companies that require transparency about safety incidents.

Life-Saving Rules

G2 Ocean's Life-Saving Rules have been developed to prevent severe injuries and fatalities. It is mandatory for all employees to adhere to the Life-Saving Rules. We consistently communicate and raise awareness about these rules with our stakeholders, including stevedores and vessel crew.

Illustration 10

G2 Ocean's Life-Saving Rules

1. **Wear PPE**
2. **Identify danger zones**
3. **No Alcohol, No drugs**
4. **Never walk under a suspended load**
5. **Isolate Energy Sources**
6. **Prevent slips, trips and falls**
7. **Obtain Confined Space Entry Permit**
8. **Stay safe when performing hot work**
9. **Obtain authorisation**
10. **Respect the Smoke Free Zone**

Health and safety training

At G2 Ocean, we prioritise health and safety training right from the start. It is a mandatory part of our onboarding process for all employees. We also provide additional training tailored to each role and responsibilities. When needed, we collaborate with external training providers to enhance competence in areas like safety culture and risk management.

To ensure seafarers’ safety during the voyage, we organise regular and online training sessions on operational safety. These sessions educate them on best practices and promote safety practices. All safety training provided by G2 Ocean is free of charge, and our training program is subject to an annual review.

In 2023, we focused on improving risk management for employees’ daily tasks. We introduced “Our Way”, a practical method that helps identify, mitigate, and manage risks related to daily tasks and operations. Our Way is an informal yet structured approach that encourages dialogue about various risks, including safety risk. We have successfully incorporated this method when assessing risks associated with both new and existing commodities.

Collaborating with our shareholders, Gearbulk and Grieg, we organised our annual Safety Week. This week of events emphasised lectures on risk management and the continuous development of our safety cultures.

Stakeholder engagement:

To achieve our vision of zero incidents, engaging with stakeholders is crucial. As part of our stakeholder outreach efforts, we have identified key groups that play an important role in ensuring a safe work environment. This includes G2 Ocean employees, customers, vessel owners and their crews, stevedoring companies, and ports. Building and maintaining strong relationships with our stakeholders is a priority. We listen to their concerns, address their issues, and involve them in our safety initiatives. Insights from our stakeholders help us proactively reduce risk and enhance performance. Together with our stakeholders, we can bring about real and lasting impact in the industry.

In 2023, we joined the International Cargo Handling Coordination Association (ICHCA). Established in 1952, ICHCA is non-profit organisation dedicated to improving the safety, productivity and efficiency of cargo handling and movement worldwide. By becoming a member, we gain access to valuable safety and operational best practices across the cargo handling chain and get the opportunity to share our knowledge and experience. We are excited about the collaboration and some of our monthly safety bulletins are now shared through ICHCA’s extensive network.

Strategic ports

In ports where we have a high level of activity, we see opportunities to collaborate closer with stevedore companies, improving both safety and productivity. We have introduced Quarterly Safety Reviews as

a regular, structured way to review performance and manage future safety risks. Examples of risks which must be managed are changes in personnel, commodities, and cargo handling practices and equipment. Our local G2 Ocean representatives and stevedores have the authority to implement local risk-mitigating initiatives. In 2024, we aim to expand our Quarterly Safety Reviews to more ports.

G2 Ocean Safety Bulletin

The G2 Ocean Safety Bulletin, introduced in June 2022, is distributed monthly to stevedore companies worldwide. By being transparent about our safety incidents and sharing lessons learned, we strive to reduce the number of incidents and personal injuries in our industry. In 2023, the number of external recipients increased by 40%, and a variety of incidents were covered, including dropped objects during crane operation, a stevedore fatality and near misses related to the risk of major fires. The Life-Saving Rules and 5 I’s are referred to when describing incidents, to remind the readers about the rules and encourage them to reflect on own behaviour.



“Creating and maintaining a safe working environment is one of the main priorities of G2 Ocean. To reach our zero accident vision, we will continue to strengthen our safety culture, working together as one team to promote safety awareness and responsible behaviours.”

Phil Curran, Managing Director Operations, G2 Ocean

Employee involvement

Employee involvement is crucial for developing and enhancing our safety culture. We strongly encourage all employees to report health and safety issues through management, our digital reporting system, or whistleblowing channel.

To raise safety awareness and drive behaviour change, G2 Ocean has appointed Safety Ambassadors and established Health and Safety Committees in Norway, Philippines, and Italy, following local legislation. Representatives for both employee and senior management level are members of the committees, which meet bimonthly in Manila, quarterly in Bergen and once per year in Italy. The committees have the authority to request corrective action from the

employer, and set a deadline for implementation, if there is a threat to the health and safety of the employees. The committees are also authorised to request surveys of workplace conditions and report any matter to the national labour authorities. All employees are encouraged to share their perspectives, ideas and insights related to occupational health and safety with the representatives who will discuss these matters in their respective meetings.

Employee well-being initiatives

At G2 Ocean, we prioritise the well-being of our employees. We conduct annual surveys to monitor well-being and take corrective measures if needed. Our Travel Policy addresses health and safety during travel for employees who frequently travel.

To improve well-being and prevent sick leave, we provide various healthcare benefits, such as access to voluntary annual or biannual health assessments, medical insurance, and eye exams. We also partly or fully compensate employees’ gym memberships because exercise greatly reduces stress and keeps employees healthy. Our HR department follows up with employees on sick leave, in accordance with local regulations.

Further, we also organise local and global wellness campaigns to



Seafarers practising their fire drills skills on board. Photo: G2 Ocean

raise health awareness. For example, we arrange annual step count challenges aimed at promoting healthy habits and boost engagement. In total, 238 employees joined the challenge in 2023 and walked a total of 108 million steps, equivalent to 81,100 kilometres. This represented a step increase of 24% compared to the 2022 challenge.

Our performance

G2 Ocean employees: Injuries and pro-active reporting

In 2023, we noticed a 21% decrease in pro-active safety reports compared to 2022. Although the number of reports is still higher than all years prior to 2022, this decline is concerning and we are committed to taking action to address the issue and improve.

We are satisfied that no G2 Ocean employees were injured in work-related incidents in 2023.

Stevedore injuries

We experienced one “high-consequence” incident in 2023 – a fatal fall accident. A stevedore fell from the vessel hatch coaming into the cargo hold, during a break in cargo operations. Tragically, the stevedore did not survive his injuries. We are committed to preventing these tragedies from happening and are collaborating closely with stevedoring companies to improve safety awareness, risk management, and safety procedures.

In 2023, we experienced a 20% reduction in the number of stevedore injuries compared to 2022. Note that this data includes all incidents where treatment beyond basic first aid was required. While this is

positive, we are cautious in drawing conclusions based on this figure. We observe that some geographical areas with a high activity level, report a limited number of injuries, and we are aware that reporting practices vary from area to area. Not all such cases are reported to G2 Ocean representatives.

Most of the reported injuries involving stevedores occur during “hands-on” work tasks completed by them in ports, such as hooking, lashing, and securing of cargo. The two most common incident types resulting in injuries are “slips, trips and falls” and “crushing / hit by an object”. A significant share of the slips, trips, and falls occur while stevedores walk on uneven surfaces inside the cargo hold, or when climbing ladders.

While the number of stevedore injuries is a concern, we are also mindful of the potential consequence of incidents. We have experienced near-misses and incidents with minor consequences, which could have had more severe outcomes under slightly different circumstances. We will continue our drive to increase both proactive safety reporting and reporting of incidents resulting in injuries.

Sickness rate

The total sickness rate, calculated as the percentage of G2 Ocean’s employees’ sick leave days registered against the total number of working days, was 0.77% in 2023, compared to 1.1% in 2022. It is challenging to provide a precise explanation to the slight decrease in sickness rate. However, it is possible that several factors, such as improved working conditions, employee well-being initiatives, Covid-vaccines, may have contributed to this positive trend.

Social

Table 14: Proactive Safety Reports (include near misses, non-conformities, suggestions for improvement and audit findings)

	2020	2021	2022	2023
Pro-active Safety Reports	253	184	306	242

Table 15: Development in reported work-related injuries involving G2 Ocean employees and consultants

Injury category	2020		2021		2022		2023	
	G2 Ocean employees	Consultants	G2 Ocean employees	Consultants	G2 Ocean employees	Consultants	G2 Ocean employees	Consultants
Fatalities	0	0	0	0	0	0	0	0
High-consequence injuries	0	0	0	0	0	0	0	0
Recordable injuries (excl. first aid cases)	0	0	0	0	0	0	0	0
Rate of fatalities	0	0	0	0	0	0	0	0
Rate of high- consequence injuries	0	0	0	0	0	0	0	0
Rate of recordable injuries	0	0	0	0	0	0	0	0

Note: G2 Ocean employees and consultants worked a total of 632 320 and 15 280 hours, respectively, in 2023.

Table 16: Development in reported work-related injuries among stevedoring companies engaged by G2 Ocean

Injury category	2020	2021	2022	2023
Fatalities	-	-	-	1
High-consequence injuries (not monitored prior to 2022)			1	1
Recordable injuries (excl. first aid cases)	40	24	40	32

Future priorities

To continue to strengthen our safety culture and performance, G2 Ocean will pursue the following initiatives in the years to come:

- Risk mindset: Develop our employees' ability to manage safety risks related to daily tasks.
- ICHCA opportunities: Collaborate with member terminals and stevedoring organisations to improve cargo handling safety.
- Quarterly Safety Reviews: Conduct regular, structured safety reviews with stevedores in strategic ports.
- Safety culture: Strengthen G2 Ocean's safety culture by continuing to promote and educate employees about the 5 Safety I's.
- Training: Deliver micro-training on health and safety topics, utilizing the new training feature of the SafetyCulture application.
- Automation: Develop new and improve on existing cargo loading and discharging equipment technology to reduce the requirement for manual cargo handling and risk of injuries to personnel.



Training and Education

At G2 Ocean, we invest in the ongoing development of our employees through various upskilling, reskilling, and continuous learning initiatives. Developing our employees' skillsets is a key priority for G2 Ocean. By helping our employees to continuously grow professionally, we not only add value to them individually by enhancing their skills and knowledge, but also improve our customer service and overall business performance.

In this section, we describe our key impacts, risks and opportunities related to the material topic 'Training and education' and the measures we take to effectively address them.

Our impacts, risks and opportunities

Investing in our employees' growth and development is key to our success. By providing relevant and consistent training, continuous feedback, and career opportunities, we actively contribute to the well-being, satisfaction and engagement of our employees. This is supported by our Employee Engagement Survey, which shows a clear link between employee development and engagement.

At G2 Ocean, we believe that investing in the training and development of our employees has a profound impact on our organisational performance. When our people excel in their roles, we can deliver exceptional value to our customers, driving company growth and revenue. It also helps us adapt to the changing shipping environment. In addition, training and development create stability for G2 Ocean, and indirectly our shareholders, as employees feel invested in continuing their employment.

Conversely, failing to provide adequate training and development opportunities can potentially pose financial risks to G2 Ocean. It can lead to lower morale, productivity, and higher employee turnover. Therefore, prioritising the growth of our team to mitigate these challenges effectively is imperative.

What we do

Living our Behavioural Principles

Living our Behavioural Principles is essential to fostering a high-performing global team and creating long-term value for our

Illustration 11
G2 Ocean's Behavioural Principles

Customer oriented

- We are commercially aware and focused on improving our service and creating value for our customers.

Collaborate

- We share information and connect with colleagues globally.
- We support each other's performance, give honest feedback and address issues directly.

Take action

- We take responsibility and action for the objectives we set for ourselves, our team and our company.
- We celebrate our achievements and share our successes.

Demonstrate integrity

- We conduct our work to high ethical standards.
- We respect and comply with all applicable laws, regulations and standards.

Open

- We are open to new ideas and share our thoughts.
- We are willing to change the way we work and adjust for the future.
- We learn from mistakes and ask questions to improve.
- We are brave and share lessons learnt.

Social

stakeholders. These principles, developed in 2019, guide our desired conduct and values. We continuously inspire employees to embrace these principles through our onboarding processes, communications efforts, and performance evaluations.

High-Performance Team Program

Our High Performing Team Program, established in 2018, empowers employees to take responsibility, contribute ideas, provide feedback, and collaborate with others to enhance performance. As part of our High Performing Teams Program, we offer regular training for professional growth and skills development, covering the following training categories:

1. **Onboarding Training:** Ensures new employees are prepared to contribute early and effectively in a new role.
2. **Up-to-Speed Training:** Engages employees on the latest developments within key strategic areas.
3. **Knowledge Boost Training:** Teaches employees new skills/transfer skills between colleagues.
4. **Toolbox upgrade:** Teaches employees how to use relevant tools and systems.

The training sessions apply to all employees in G2 Ocean, including the leadership team. In preparing the Annual Training Plan, employees are invited to suggest relevant training sessions, and the leadership team decides based on strategic priorities.

As part of G2 Ocean's commitment to supporting employees' growth and development, we also provide opportunities for external courses and programs, including [the Institute of Chartered Shipbrokers](#), and an expanded suite of leadership development programs for Senior Managers and Directors with leadership ambitions.

Forums

G2 Ocean has established various internal forums which serves as an invaluable platform for fostering collaboration, enhancing behaviours, nurturing leadership, and building trust within our organisation. These forums provide a space for open dialogue, idea-sharing, and constructive feedback. Through engaging discussions and interactive sessions, employees can learn from one another, develop their skills, and cultivate a culture of trust and respect. The forums are a powerful tool for delivering on our strategic objectives, driving improvement, fostering teamwork, and empowering individuals to reach their full potential.

Employee engagement survey

To measure the organisation's level of engagement and satisfaction, G2 Ocean conducts annual surveys. The survey is 100% confidential and provides important insight into the attitudes and opinions of employees related to our working environment, as well as training and skill development. We always communicate the survey results and prioritised actions with the organisation via our intranet, town hall meetings and email.

Annual Employee Performance Review Processes

At G2 Ocean, we aim to foster an open company culture where feedback is shared, and concerns are raised without fear of reprisal.

Therefore, we conduct three annual company-wide performance review processes: the Objective-setting Process, Mid-Year Review and Year-End Review. Each year, employees set individual objectives aligned with the corporate strategy and their manager's and team's objectives. Managers and employees have two formal evaluations per year, where they discuss progress, conduct, and career development. These processes help us measure and enhance employee performance, as well as identify employees' strengths and areas of improvement.

All performance review processes are facilitated through our digital HR platform, accessible to all employees and managers. This platform also supports planning and talent development.

Transition Assistance Program

We offer Transition Assistance Programs to support employees who are involuntarily separated from the company. This program focuses on continued employability and termination management. The program does not apply to retiring employees.

Our performance

Training

In 2023, G2 Ocean employees have on average undertaken 10.36 hours of internal training through the activities provided in our Annual Training Program – down four hours from 2022. The decrease is due to significant number of training hours spent in 2022 on the then-newly implemented Voyage Management System.

Seven employees have used the opportunity to take industry courses at the Institute of Chartered Shipbrokers. Nine employees attended management development programs at the International Institute for Management Development.

Employee engagement survey results

81% of the organisation participated in our 2023 Employee Engagement Survey, which identified a positive shift in employee engagement and satisfaction from 2022. The survey found that 97% feel proud to work at G2 Ocean, up from 91% in 2022. Further, 92% see themselves working at the company in 2 years' time (78% in 2022) and 94% would recommend G2 Ocean as a good place to work (82% in 2022). Additionally, 97% said they show enthusiasm for G2 Ocean and their work tasks. When asked if the employee is satisfied with the workplace, 93% of the respondents answered either 'Strongly Agreed' or 'Agreed' – up from 83% in 2022. This indicates that the majority of employees are satisfied with their workplace and proud to work at G2 Ocean.

The survey also identified room for improvement in G2 Ocean's use of employee skills; although most of the respondents agree that the company makes "the best use of employees' skills", 8% of the respondents 'Disagreed' or 'Strongly disagreed' with this statement.

Local action plans will be implemented in 2024 to address identified challenges and opportunities.

Performance Review Processes

In 2023, all G2 Ocean employees participated in our Performance Review Processes which cover conversations on career development.

Future priorities

We will continue to invest in the ongoing development of our employees and have defined the following priorities for 2024:

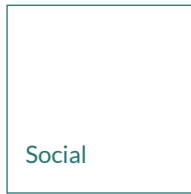
- Leadership training will continue to be a priority in 2024, with 10 employees nominated for external training programs and quarterly internal training sessions planned for all managers.

- In 2024, three forum meetings are planned to further cultivate our high performance culture. Two of these meetings will be specifically tailored for employees in Director roles, while the remaining one will focus on employees in corporate support functions. These physical gatherings will provide valuable opportunities for improved collaboration, learning, and professional growth.

- Developing our employees' skillsets for the future will remain a primary focus in 2024. We will conduct training in systems and tools. As we become more digital, we need to support our employees with adopting new technology and fully utilizing systems.



Martha Roed, Managing Director Organisational Development. Photo: Karen Studley



Diversity, Equity, and Inclusion

At G2 Ocean, we place a strong emphasis on creating a diverse and inclusive work environment in which employees are valued and where they feel they can be themselves.

We believe that a diverse workforce, in terms of for example gender, age, nationalities, and professional background, enriches our decision-making processes and enables us to deliver exceptional customer service. We are also committed to promoting gender balance and creating an inclusive, safe, and respectful environment for everyone involved in our operations.

In this part of the report, we outline the important impacts, risks and opportunities regarding diversity, equity, and inclusion in our business. We also highlight how we efficiently handle and address them to ensure a positive and inclusive environment for all.

Our impacts, risks and opportunities

At G2 Ocean, we take great pride in the diversity of our organisation. Our employees come from various backgrounds, ages, and nationalities, bringing unique perspectives and ideas that drive our performance forward. We believe that this diversity enhances our decision-making processes and allow us to provide exceptional customer service. Our commitment to fostering a diverse workforce is evident through our Diversity, Equity, and Inclusion survey, which confirms that it creates engagement and an inclusive environment where employees feel valued and empowered.

While G2 Ocean embraces diversity, we recognise the opportunity to further enhance gender balance within our workforce. Having a predominantly male workforce creates gender imbalance, and we are committed to promoting the shipping industry as an attractive and inclusive field for individuals of all genders. By increasing the share of women in our workforce, we can foster a more balanced, innovative, and successful organisation.

Additionally, we strive to provide an inclusive, safe, supportive, and respectful working environment for everyone, regardless of gender, ethnicity, age, religion, or sexual orientation. Through our annual

internal Diversity, Equity, and Inclusion Survey, 4 out of 10 employees report awareness of discrimination within the shipping industry. This is concerning as discrimination can have serious consequences both for individuals and our overall work environment, leading to low job satisfaction, legal issues, and reputational damages. Although zero incidents of discrimination have been reported to G2 Ocean, we take this seriously and are committed to contributing to fostering an inclusive and respectful industry for everyone. By communicating our zero-tolerance policy for workplace harassment and raising awareness of our reporting practices, we aim to contribute to ensuring that our employees can work without discrimination or harassment based on any factors.



It's of strategic importance for G2 Ocean to have a diverse workforce. We strongly believe that we need different perspectives, skillsets, and knowledge to achieve our strategic objectives."

Martha Røed, Managing Director
Organisational Development,
G2 Ocean

What we do

Fair employment

At G2 Ocean, we are committed to ensuring fair working conditions and making sure that employees are recruited, promoted, and trained based on their qualifications and performance. This commitment is rooted in our Equal Opportunity Policy and Code of Business Ethics.

We take care of our employees by providing written employment terms for everyone. All permanent employees receive insurance benefits according to local standards, and benefits like life, health care, and disability coverage are provided in countries

where this is applicable. G2 Ocean encourages both female and male employees to take out their parental leave.

Fair compensation

At G2 Ocean, we strive to have competitive salaries. We evaluate all positions using the [Korn Ferry Salary Guide](#), which grades roles based on knowledge, skills, and accountability. We also use benchmark data and research to make sure our compensation is competitive. All employees are paid above the local minimum wage.

Freedom of association

As rooted in our Code of Business Ethics, G2 Ocean respects and recognises our employees' freedom of association, and the right to engage in collective bargaining. 7.93% of our employees are organised

in labour unions. For offices without collective bargaining agreements, the company does not determine working conditions and terms of employment based on collective bargaining. Collective bargaining agreements are not very common in our industry, and we use market information and the applicable law to determine working conditions and terms of employment.

Diversity, Equity, and Inclusion (DEI) Survey

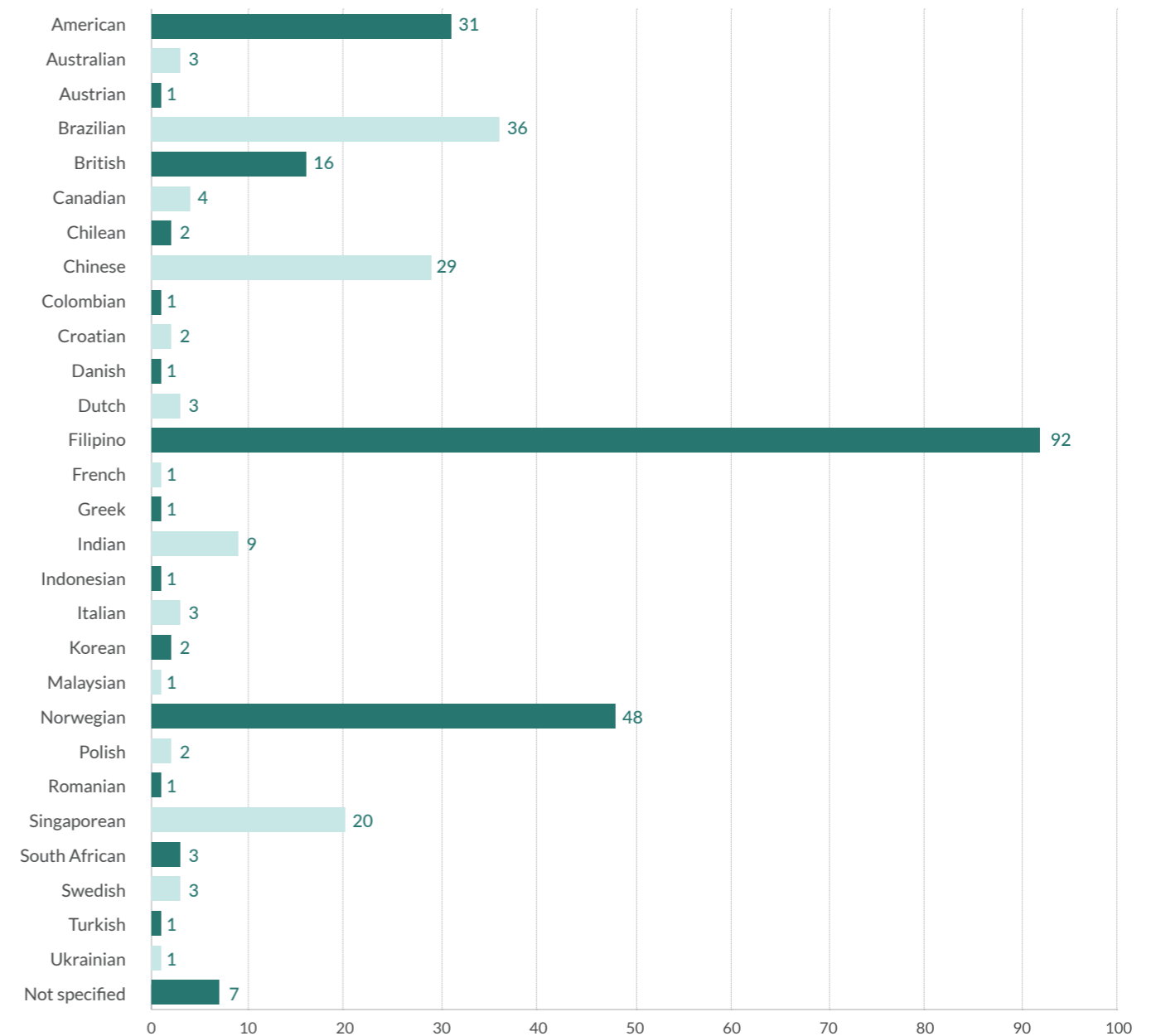
G2 Ocean conducts annual internal surveys on diversity, equity, and inclusion. The survey is confidential and covers topics like demographic, salary, bonus, benefits, training, development, and promotion, as well

as diversity and inclusion. The survey is an effective tool to help us monitor our progress, identify areas for improvement, and examine the effectiveness of implemented initiatives.

Industry cooperations

To help pave the way for a diverse, equitable and inclusive maritime industry, G2 Ocean is an active member of two non-profit organisations: the [Diversity Study Group](#) and the [All Aboard Alliance](#). In these forums, we share knowledge, experiences, data, and progress related to DEI. Through the collaboration and actions of the member organisations, we aim to create meaningful change in the industry.

Figure 5: Number of employees by primary citizenship



- Relevant documents
- Human Rights and Decent Work Conditions Policy
- Code of Business Ethics
- Equal Opportunity Policy
- Whistleblowing Policy
- Bullying and Harassment Policy
- Behavioural Principle

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Our performance

G2 Ocean's workforce, including G2 Ocean employees, consultants, and secondment employees (see definitions in chapter 6.4), consists of 348 people, representing 28 different nationalities. To date, 324 (93%) are permanently hired, 4 are temporarily hired and 12 are working on a secondment basis. In addition, G2 Ocean had 8 consultants in 2023 to support the company with IT-related subjects and Project Management, down from 13 consultants in 2022 due to a decrease in the need for external support.

Looking only at the group 'G2 Ocean employees', 323 (98%) are working full-time while 5 (2%) are part-time workers. 67% are in the age group 30-50 years, while 20% are over 50 years. 201 (61%) are men and 127 (39%) are women.

The Board consists of 14% female, while 33% of our Leadership Team members are female. G2 Ocean has an ambition of reaching 50% female employees and 40% female Directors. It is encouraging to see that the percentage of female Directors increased from 18% females in 2022 to 19% females in 2023.

To achieve gender balance, we focus on attracting more females to the industry. 55% of new hires in 2023 were female, compared to 42% in 2022. We are pleased to see that more women are choosing Shipping as their career path. Gender equality is a key priority for G2 Ocean, and we will continue to focus on the attraction and retention of women to equalise the gender balance at all levels of the organisation for the benefit of our company and society.

Diversity, Equity, and Inclusion Survey results

Our 2023 Diversity, Equity, and Inclusion Survey, in which 253 (77%) employees participated, showed progress in various areas. Overall, employees report feeling safe and supported at work. 89% feel encouraged to contribute ideas to their job, the business, and the working environment. 85% report that they are given opportunities to participate in internal training.

With regards to G2 Ocean's work environment, 84% report that they have a supporting peer group. 83% report that they feel their overall contribution at work is valued, which is an improvement of 5 percentage points since last year. However, 43% still report that they personally are aware of discrimination within the shipping industry. This highlights the need to continue our efforts to address and eliminate discriminatory practices.

While we are pleased to see progress in some areas, we recognise the need to address any remaining challenges and continue fostering a culture of diversity and equity. When asked about G2 Ocean's DEI efforts, 60% of employees say the company could do more to achieve a diverse and inclusive workplace. Based on this feedback, we have developed action plans to further improve our performance. You can read more about our priorities on page 52.

Note: All figures and reports are based on headcount reporting from our internal HR system at the end of 2023.

Table 17: Gender balance by employee category
Our gender balance improved slightly from 2022 to 2023.

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total G2 Ocean employees (excl. Board of Directors, consultants & secondment)	205 (63%)	122 (37%)	327 (100%)	202 (62%)	122 (38%)	324 (100%)	201 (61%)	127 (39%)	328 (100%)
Board of Directors	6 (86%)	1 (14%)	7 (100%)	6 (86%)	1 (14%)	7 (100%)	6 (86%)	1 (14%)	7 (100%)
Leadership Team	4 (67%)	2 (33%)	6 (100%)	4 (67%)	2 (33%)	6 (100%)	4 (67%)	2 (33%)	6 (100%)
Directors and VPs				28 (80%)	7 (20%)	35 (100%)	30 (79%)	8 (21%)	38 (100%)
Manager, Senior Professionals				66 (67%)	32 (33%)	98 (100%)	63 (68%)	31 (32%)	94 (100%)
Professionals				104 (56%)	81 (44%)	185 (100%)	104 (54%)	86 (46%)	190 (100%)

Table 18: Number of employees by gender and region

There were no significant changes in the gender balance across our regions from 2022 to 2023.

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Africa	3	-	3	3	1	4	3	1	3
Asia	74	78	152	79	75	154	77	82	159
Europe	65	23	88	51	26	77	49	24	73
South America	36	16	52	28	15	43	21	8	29
North America	34	12	46	45	11	56	47	12	59
Oceania	4	2	6	4	-	4	4	-	4
Total	216	131	347	210	128	338	201	127	328

Table 19: Gender balance by Full Time Equivalent (FTE) and employee contract type

The percentage of male and female employees in full-time positions remained stable in 2023, while we saw an increase in the number of female employees in part-time and temporary roles. Two male seconded employees left the company, resulting in a gender-balanced composition in this category.

Gender balance by FTE (excluding secondment)	2022			2023		
	Men	Women	Total	Men	Women	Total
Full-time employees (excl. Board of Directors & secondment)	201 (63%)	120 (37%)	321 (100%)	201 (62%)	122 (38%)	323 (100%)
Part-time employees (excl. Board of Directors & secondment)	1 (33%)	2 (67%)	3 (100%)	0 (0%)	5 (100%)	5 (100%)

Gender balance by employee contract type (including secondment)	2022			2023		
	Men	Women	Total	Men	Women	Total
Permanent employees	201 (62%)	121 (38%)	322 (100%)	200 (62%)	124 (38%)	324 (100%)
Temporary hires (excl. Board of Directors & secondment)	1 (50%)	1 (50%)	2 (100%)	1 (25%)	3 (75%)	4 (100%)
Secondment	8 (57%)	6 (43%)	14 (100%)	6 (50%)	6 (50%)	12 (100%)

Salary distribution

Table 21 shows the gender difference in salary in our significant locations of operations - Headquarters in Bergen, Norway, and Hub Offices in Singapore and Atlanta, Georgia, United States. Only full-time employees are included in the table.

The average salary per job level is calculated based on total salary which includes the basic annual salary of the employees for 2023 and the bonus paid out in 2023.

For Norway, the gender difference in salary is disclosed on three job levels. This is done only on two job levels for Singapore and

the United States to protect the identity of the employees as the number of female employees within the categories 'Director' and 'Managing Director' is nil in these locations. In addition, the role of Vice President and Chief Financial Officer does not exist in Singapore and Atlanta.

G2 Ocean strives to have competitive salaries and make salary adjustments where deviations between genders have been identified.

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Table 20: Number of employees by Full Time Equivalent (FTE), contract type and region

There were small fluctuations in the number of employees in the various contract types across our regions from 2022 to 2023.

	2021					
	Full-time	Part-time	Permanent	Temporary	Secondment	Total
Africa			3	-	-	3
Asia			150	1	1	152
Europe			81	3	4	88
South America			38	-	14	52
North America			46	-	-	46
Oceania			6	-	-	6
Total			324	4	19	347

	2022					
	Full-time	Part-time	Permanent	Temporary	Secondment	Total
Africa	4	-	4	-	-	4
Asia	151	1	153	1	-	154
Europe	76	1	74	1	2	77
South America	31	-	31	-	12	43
North America	55	1	56	-	-	56
Oceania	4	-	4	-	-	4
Total	321	3	322	2	14	338

	2023					
	Full-time	Part-time	Permanent	Temporary	Secondment	Total
Africa	4	-	4	-	-	4
Asia	156	3	156	3	-	159
Europe	72	1	72	1	1	74
South America	29	-	29	-	11	40
North America	58	1	59	-	-	59
Oceania	4	-	4	-	-	4
Total	323	5	324	4	12	340

Table 21: Age distribution by employee category

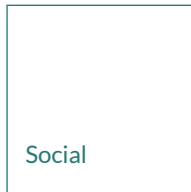
The number of employees below 30 and over 50 years of age remained relatively consistent from 2022 to 2023. However, there was an increase in the percentage of employees in the age range of 30-50, which rose from 64 to 67 percent. This increase could be attributed to a combination of factors such as employees aging, and new hires.

	2021			2022			2023		
	<30	30-50	> 50	<30	30-50	> 50	<30	30-50	> 50
Total G2 Ocean employees (excl. Board of Directors, consultants & secondment)	(14%)	(65%)	(23%)	(14%)	(64%)	(22%)	(13%)	(67%)	(20%)
Board of Directors	(0%)	(14%)	(86%)	(0%)	(-14%)	(-86%)	(0%)	(14%)	(86%)
Leadership Team	(0%)	(33%)	(67%)	(0%)	(33%)	(-67%)	(0%)	(33%)	(67%)
Directors and VPs				(0%)	(54%)	(-46%)	(0%)	(63%)	(37%)
Manager, Senior Professionals				(7%)	(60%)	(33%)	(5%)	(62%)	(32%)
Professionals				(20%)	(70%)	(10%)	(20%)	(72%)	(9%)

Table 22: Salary distribution by employee category in significant locations of operations (HQ and Hub Offices)

In Norway, the Pay Gap % has increased because we replaced resources with long tenure in the company with those at an earlier stage in their career. In Singapore, the Pay Gap % has decreased as the average compensation for women in the category has increased. In the US, the higher number of male resources with long tenure and female resources at an earlier stage in their career contributes to the increase in the Pay Gap %.

	2022	2023				
	% pay gap	% of female	% of male	% pay female	% pay male	% pay gap
Norway						
Professional	-4.30%	33%	67%	87%	100%	-13.12%
Manager, Senior Professional	0.90%	26%	74%	104%	100%	3.58%
Director, Vice President, Managing Director, Chief Financial Officer	1.90%	39%	61%	102%	100%	2.27%
Singapore						
Professional	-20.60%	46%	54%	91%	100%	-9.04%
Manager, Senior Professional	-3.50%	39%	61%	94%	100%	-6.16%
Director, Vice President, Managing Director, Chief Financial Officer		0%	100%			
United States						
Professional	-13.40%	28%	72%	83%	100%	-17.03%
Manager, Senior Professional	-7.00%	26%	74%	78%	100%	-21.61%
Director, Vice President, Managing Director, Chief Financial Officer		0%	100%			



Future priorities

To further promote diversity and inclusion, G2 Ocean will take several actions in 2024:

Promote equal opportunities:

G2 Ocean will continue its commitment to provide equal opportunities and a working environment in which all employees, workers and job applicants receive fair and equal treatment. To prevent discrimination, we will continue to communicate our Bullying and Harassment Policy that explicitly states zero tolerance for discrimination based on factors such as race, gender, ethnicity, religion, sexual orientation, or disability. Additionally, the company will continue to encourage employees to report incidents of discrimination. Lastly, G2 Ocean will remain committed to its diverse hiring practices that focus on attracting candidates from different backgrounds.

Foster inclusive leadership:

Through the Director's Forum, G2 Ocean's directors are trained to lead by example and create an inclusive environment where healthy friction is viewed as a valuable contributor to performance. The forum also teaches helpful behaviours such as dialogue, actively listening to diverse perspectives and recognising contributions. G2 Ocean will continue this forum.

Enhance training:

G2 Ocean will conduct training and workshops related to topics related to diversity, equity, and inclusion.

Conduct regular surveys:

G2 Ocean will continuously assess the company's progress on DEI topics by conducting regular surveys to gather feedback from employees on their experiences and identify areas for improvement.

Establish a mentorship program

G2 Ocean will implement a program that pairs employees from diverse backgrounds with mentors who can provide guidance, support, and opportunities for career advancement.

Collaborate with external parties:

G2 Ocean will continue to engage in partnerships with external organisations such as the All Aboard Alliance to share best practices, collaborate on diversity initiatives, and drive collective change within the shipping industry.



Innovation

At G2 Ocean, our ambition is to be a frontrunner by pioneering sustainable shipping solutions. Innovation is a central part of ensuring that the company develops solutions that takes us in this direction. In G2 Ocean, we define innovation in a broad sense, encompassing both the creation of something new and improving what we already have.

In our work with innovation, we focus on creating value through improved service offerings, enhanced efficiency and proactive preparation for the future needs of our customers, employees, partners, and shareholders. As such, our innovation and digitalisation initiatives support our development of sustainable business practices, fostering business growth, facilitating personal development among employees, and supporting our safety, risk and compliance practices, among other areas.

In this section, you can learn about the key environmental, social, and economic impacts, risks and opportunities arising from our innovation and digitalisation activities and how we manage them to stay on track with our goals.

Our impacts, risks and opportunities

At G2 Ocean, we embrace an innovation mindset. We believe innovation is central for achieving long-term business and personal growth, and consider it an enabler for meeting our stakeholders' current and future needs.

Digitalisation is a central part in most of the innovation and improvement efforts we undertake. By digitalising our business processes and leveraging digital technology in our day-to-day operations, we are increasing the efficiency of our organisation. This allows our employees to spend more time on value-added work, resulting in improved service quality and operational performance. Additionally, digitalisation helps us build an efficient and compliant organisation by using digital tools, processes, and data to analyse our financial, social, and environmental impacts. This allow us to make informed decisions, manage risks and further develop our organisation.

One example of our digitalisation and innovation efforts, is our digital customer platform, MyG2. Through MyG2, we can share information and data with our customers, which in turn helps us provide better and more efficient services. It also enables closer collaboration with customers. Further, MyG2 supports our sustainability work by providing our customers with real-time emissions data on a shipments and voyages, as well as historical emissions.

G2 Ocean is also focusing on digital processes and exploring technologies to automate repetitive tasks and workflows. This frees up employees' time for more value-adding and rewarding activities, which enables personal growth and reduces unnecessary and time-consuming

tasks. It also enhances our compliance and control mechanisms. In 2023, we implemented two automated approval workflows with automated document storage. By automating these, we have ensured that the workflows are executed accurately and consistently, which in turn improve our compliance and reduces risk.

Our innovation team is dedicated to improving our environmental performance and collaborate closely across departments and with external partners to help reduce our vessel emissions. By collaborating with customers and partners to introduce new solutions to the shipping industry, our efforts contribute to more transparent, reliable, and sustainable value chains.

What we do

At G2 Ocean, Innovation and Digitalisation are one of the five pillars of our long-term strategy. Within this area, we have defined four digital priorities: Leaner and Cleaner Processes, Digitalised Customer Journey, Better Decision Support and Employee Engagement.

1. Leaner and Cleaner Processes

In 2023, we have continued our work to become a more efficient organisation through digitalising and automating processes. As part of this work, we completed a thorough assessment of our business processes to identify areas of improvement. We used this information as a basis for prioritising digital improvement initiatives, resulting in enhanced compliance, reduced manual work for employees and added value to our customers.

2. Digitalised Customer Journey

In 2020, we launched our digital customer platform, MyG2. This was a major step towards improving our service offerings, centralising information in one system and giving our customers full visibility, live updates and information related to their shipments with G2 Ocean.

In 2023, we have continued the development of MyG2, adding important upgrades and useful features. One example is the implementation of automatic registration and sign-up of MyG2, improving platform accessibility to more customers. We have also released a public version of MyG2, allowing other stakeholders access to relevant information. We have also improved the accuracy of our customers' allocated emissions data. In 2024, we will be able to provide customers with detailed emission reports based on the principles of Sea Cargo Charter, which is a framework for assessing and disclosing the climate alignment of ship chartering activities. This report will be accessible to customers directly from the platform.

3. Better Decision Support

Business Intelligence plays an important part of our day-to-day business activities because it helps our teams better understand



G2 Ocean has a diverse workforce representing 28 different nationalities. Photos: Lumir / G2 Ocean

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information and make informed decisions. In 2023, we developed 13 new Business Intelligence dashboards to support our teams in their day-to-day activities and to improve transparency. As an example, we developed a new Carbon Intensity Indicator dashboard in 2023. This dashboard serves as a valuable decarbonisation tool, enabling us to assess the carbon intensity of individual vessels and overall fleet. With this information, we can monitor our performance and implement correct measures to effectively reduce emissions.

4. Employee Engagement

In 2023, we have continued engaging our employees in innovation and improvement activities across departments and geographical locations. This year, we conducted physical workshops with our teams in Singapore and Manila to identify digital needs and gather improvement ideas related to systems and applications. These workshops contributed to strengthening our innovation culture. They also allowed us to better understand how our teams use our technology, how we can adjust our efforts to ensure employees use the technology to its full potential, and to identify training and skill development needs.

Our performance

At G2 Ocean, we measure the success of our innovation and digitalisation efforts by quantitatively measuring the number of initiatives initiated or completed. However, the true value of these initiatives, such as improved process quality and time saved from these improvements, is hard to measure. Therefore, we also evaluate these improvements qualitatively, based on the impact they have on the people involved in the various projects after implementation.

Our long-term goal is to streamline processes, ensuring high-quality input and output, and fostering an efficient and motivated organisation that delivers exceptional service to our customers. All our initiatives are

rooted in our strategic commitments and help us towards our desired direction, although the size and results achieved may vary for each project. We assess the effectiveness of these projects by evaluating whether they align with our Digital Focus Areas and overall strategy. In table 23, you will find a summary of our main achievements in 2023. It demonstrates a significant increase in the number of initiated and completed innovation projects compared to the previous reporting period. This growth is a result of our increased focus on digitalisation and innovation, greater availability of resources for projects, and enhanced measurement methods.

Future priorities

In 2024, we will continue to prioritise projects and initiatives that will help digitalise and automate our work processes. Some examples of our priorities are included here.

Artificial Intelligence (AI): We will start looking at how we can use AI to create value for our organisation and our stakeholders.

Customer service: To improve our customer service, we will continue to further digitalise our customer journey through MyG2 and ensure data flow through our systems to ensure data quality and assurance.

Decarbonisation: To deliver on our climate ambitions, we will continue to work with our owners, Gearbulk and Grieg Maritime Group, to prioritise initiatives that can help decarbonise our fleet.

Tools and Systems: Lastly, we continue to focus on the organisation's and employees' adoption of implemented tools and systems to ensure that we capture the full potential of these services. We will also continue our focus on building an innovation and improvement culture in G2 Ocean.

Table 23: Development in G2 Ocean's Innovation Initiatives

	2021	2022	2023
Number of Innovation projects initiated	12	20	45
Number of Innovation projects implemented/completed	13	18	34
Number of Innovation joint projects	12	15	14
Number of Business Intelligence projects implemented/completed	7	9	13
Number of bookings submitted via MyG2	0	0	0
Number of digitalized processes implemented	-	2	10

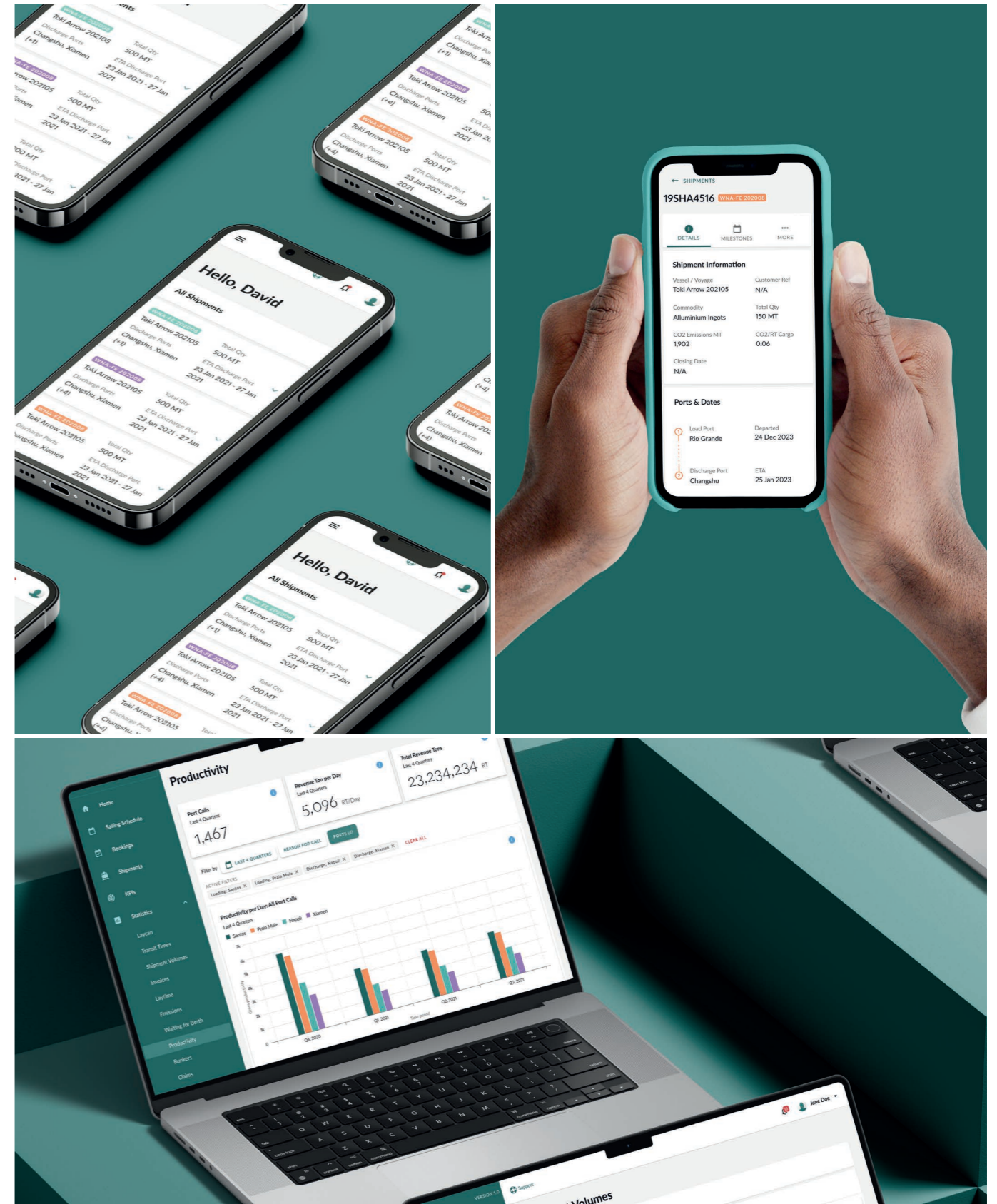


Illustration photos of our digital customer platform, MyG2. Photos: G2 Ocean, Lumir

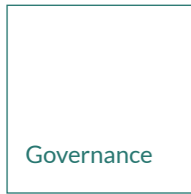


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Sustainable Supply Chain

At G2 Ocean, we are committed to implementing sustainable procurement practices. This commitment is reflected in our Sustainable Procurement Policy, which outlines our principles for driving positive impact in our procurement activities with suppliers.

Through our efforts to enhance sustainability in our supply chain, we aim to minimise the negative impact of our activities on the environment, ensure the well-being of workers involved in our supply chain, and foster long-term relationships with suppliers. By prioritising supply chain sustainability, we are not only mitigating risks but also help driving innovation and meeting the growing demand for environmentally and socially conscious products and services.

In this section of our annual report, we outline our key impacts, risks and opportunities associated with our procurement practices and supply chain. We also describe our efforts to manage these, our performance in 2023 and future priorities

Our impact, risks, and opportunities

As a global shipping company, we heavily rely on a diverse range of suppliers, including small, large, local, and international ones, to provide safe, reliable, efficient, and flexible shipping operations. To ensure consistency, continuous improvements, and a comprehensive view of our supply chain, we adopt a category management approach to procurement. This approach allows us to implement tailored improvement strategies and mitigation actions for environmental and human rights challenges specific to each product or service group. We prioritise sustainability in our relationship with suppliers across these categories throughout our value chain, from cargo booking to delivery at the destination port.

Our commitment to implementing sustainable procurement practices includes giving preference to suppliers with a strong dedication to fair labour practices and environmental improvements. Further, we screen and assess suppliers on relevant environmental, social and governance criteria and work proactively to ensure timely payment of invoices. All suppliers must acknowledge our Code of Conduct, and our Anti-Bribery and Corruption Policy. By committing to these policies and procedures, our suppliers are indirectly affected by G2 Ocean's commitment to responsible business practices. This includes a focus on safe and sustainable service delivery, as well as a dedication to human rights and ethics. Furthermore, G2 Ocean supports local economies by sourcing products and services from nearby suppliers.

This indirectly benefits communities through job creation and tax contributions. Through our efforts to improve sustainability in our supply chain, we aim to minimise the negative impact of our activities on the environment, ensure the well-being of workers involved in our supply chain, and improve the collaboration with our suppliers. This again creates opportunities for supply chain efficiency, enhanced service quality and cost savings.

Environmental and Social Due Diligence assessment of potential impacts

At G2 Ocean, we have a risk-based approach to supplier management, ensuring the sustainability and resilience of our supply chain. As a part of our Human Rights and Decent Work Conditions Policy, which we implemented in 2021, we introduced an environmental and social due diligence process based on the OECD Due Diligence Guidance for responsible business conduct. Through this process, we assess social and environmental risks in our own business and value chain.

In 2023, we further developed both this process and our third-party management procedure by providing a more detailed description of how we should conduct the annual Environmental and Social Due Diligence on our existing supplier base, also based on the OECD Due Diligence Guidance for responsible business conduct.

Through this process, we have identified four main supplier categories that either pose a high risk of actual or potential negative social and environmental impact or are strategically important areas where we can exert significant influence.

In each of these categories, we have identified certain actual and potential social and environmental risks associated with them. This risk overview helps us develop targeted improvement strategies and actions to address challenges and enhance sustainable performance of each product or service group. The risks are further described below.

Bunkers

At G2 Ocean, we source bunker supplies from various ports worldwide based on need, cost, and trading patterns. The fuel we purchase plays a crucial role in G2 Ocean's core operations.

The Supply side of the bunker market is complex, involving multiple stakeholders from state oil companies to independent resellers. No single supplier has complete control over the process, from

crude production at the well to final delivery to the vessel. Base oil is mostly purchased from trading companies and imported into the main bunker supply hubs, where it is blended with other products to meet specifications. Throughout this process, ownership may change many times. This complexity poses challenges for the industry and G2 Ocean. We are actively seeking best practices and have initiated discussions with the Norwegian Shipowners Association and other industry players to explore potential collaboration opportunities in positively influencing the bunker industry.

Within the bunkers' value chain, we have identified social and environmental risks related to the ocean pollution from oil spills, climate change impact from emissions during production and service use, and potential incidents involving labour rights, bribery, corruption, discrimination, and collective bargaining.

Stevedores

G2 Ocean operates globally, and stevedores play a vital role in our operations by assisting with cargo loading and discharging at ports. Many stevedoring companies are local entities connected to specific ports or terminals. Depending on the agreed freight terms, they can be either a direct supplier to G2 Ocean or our customer. In providing their services to us, stevedores are exposed to significant health and safety risks, which we discuss in more detail on page 38. In this category, we have identified several human rights risks, including decent work conditions, freedom of association, forced labour, child labour, discrimination, and collective bargaining.

Equipment and Consumables

During the loading, discharging and carriage of cargo, G2 Ocean uses a various equipment for handling, lifting, and securing cargo. These items are typically made of metals, plastics, or rubber, and even timber for securing cargo. However, the maintenance of machinery generates waste such as hydraulic oils.

Each year, some of our inventory is retired from service due to age or damage, leading to waste in our core operations. This waste includes synthetic lifting slings, rubber and polypropylene dunnage bags, end-of-life lifting equipment and weight-spread materials, hydraulic and lubricating oils from machinery, polyurethane safety netting, timber dunnage materials, steel lifting beams, chains, and other lifting devices.

If the waste is not properly managed, there can be significant environmental risks. Improper disposal or inadequate recycling of plastic, metals, or rubber can lead to pollution of land, water, and air. Metals can release toxic substances into the environment, causing harm to ecosystems and human health. Plastic and rubber can take hundreds of years to decompose, contributing to the global issue of plastic pollution. To mitigate our environmental impact, we prioritise recycling and reuse, which is further described on the next page.

Agents

Port agents act on behalf of G2 Ocean, working with authorities and suppliers in various ports worldwide. Agents play a crucial role in coordinating operations and maintaining relationships with local suppliers. They have the power to influence our suppliers on human rights, environmental, and safety risks.

We have identified several human rights risk in this category, including decent work conditions, freedom of association, forced labour, child labour, discrimination, and collective bargaining.

Further in this chapter, we outline our actions to mitigate the risks identified among our supplier categories, performance in 2023 and future priorities.

What we do

Risk Management

To address potential risks in our supply chain, we conduct a risk evaluation of all new suppliers before they provide their services to us. Through our supplier risk management system we check suppliers for non-compliance, sanctions and crimes in the following areas; Human trafficking and other human rights abuse, Slave Labour, Environmental crimes, Migrant smuggling, Sexual Exploitation of children, Smuggling.

If this process identifies negative findings, not corrected by the supplier, the internal G2 Ocean compliance team reviews the risks involved, and if the risk is identified as too high, the supplier will not be used until further checks are conducted.

Further, we also conduct a screening of potential or actual social and environmental negative impacts related to both new and existing suppliers. The screening is based on supplier risk and is conducted in the two following ways:

- **New suppliers:** New suppliers that are categorised as critical or high-risk, based on a list of previous set criteria, are all subject to screening through our supplier self-assessment/questionnaire. They must also acknowledge our Supplier Code of Conduct and Anti-Bribery and Corruption Policy. The self-assessment cover detailed questions on environmental, social, and governmental matters. If needed, we will follow up with specific actions towards the supplier, this can be done through on-site audits, collaboration meetings, training of supplier, etc.
- **Existing suppliers:** Existing suppliers identified as high-risk based on our annual Environmental and Social Due Diligence processes are assessed based OECD Due Diligence Guidance for responsible business conduct. All suppliers go through a first review based on the following principles and priorities: supplier category, supplier country, country risk viewed from Environmental, Social and Governmental risk perspective, supplier spend, and review of any G2 Ocean reported safety incidents connected with supplier. For suppliers identified with higher risk of potential negative impact we further review the supplier's website and request a supplier self-assessment.

Improvement strategies and actions related to our top four supplier categories:

Bunkers

In 2023, our focus in this category has been centred around the Environmental and Social Due Diligence process, including assessing the risk of bunker suppliers. During the assessment, we identified potential risk connected to three different suppliers from East Coast South America and China. The identified potential risks are;

- Limited to no policies on anti-bribery and corruption.

Governance

- Limited to no policies on environmental management and quality control.
- Previous incidences of corruption.
- Previous incidences connected to environmental crimes/incidents.
- Limited openness regarding internal procedures connected to both environmental and social management.

We have followed up with dialogue meetings and agreed on improvement measures with 67% of the suppliers with identified potential negative impact. In 2024, we will continue working with these improvements alongside our suppliers.

As mentioned on page 33, our Scope 3 emissions from our bunker purchases will be mapped in 2024. As part of this process, we expect that this emission category will be recognised as one of the procurement categories that contributes the most to our Scope 3 emissions. Following this mapping exercise, we will identify key actions to reduce our emissions.

Stevedores

In 2023, we continued our focus on safety improvements for stevedores engaged by G2 Ocean, implementing initiatives such as collaboration activities, safety training, and developing a practical guideline for safety collaborations. We also renegotiated stevedore contracts and provided follow-up and reporting on safety initiatives to the G2 Ocean leadership team. In 2024, we will continue to prioritise

safety during contract renewals. Additionally, in 2023, we began our Environmental and Social Due Diligence process for stevedore suppliers, assessing the risk of all stevedore suppliers. 32 suppliers have been identified with a higher risk for actual or potential negative environmental or social impact. In early 2024, we will continue with our assessment of these suppliers, through self-assessments and, if needed, dialog meetings to address any identified potential concerns.

In this category, we believe fundamental improvements related to decent working conditions and other human rights risks only can be achieved through collaborations within the shipping industry. As a result, we joined the International Cargo Handling Coordination Association (ICHCA) in 2023 and are excited to work with this association to ensure a broad industry focus on safety for stevedores. Learn more about this organisation on page 16.

Equipment and Consumables

To mitigate our environmental impact, we prioritise recycling and reuse. We collect waste oils and send them to licensed disposal facilities, separate steel items for recycling, return rubber dunnage bags to the manufacturer for 100% recycling, avoid using single-use webbing slings, collect and segregate plastic materials for recycling, and send timber waste to licensed receivers. Additionally, in 2023, we installed equipment at our European sorting location to shred webbing slings before transport, maximising truck space and reducing the impact

of transportation to the recycling facility. We also established a new equipment processing hub in the United States for better oversight and control of withdrawn materials in that area.

Moving forward, we will continue to focus on sustainable practices and finding innovative ways to reduce waste.

Agents

G2 Ocean has long-lasting relationships with several of our larger agents. In 2023 and beyond, we will collaborate with them to identify risks and corresponding strategies. During 2024, we aim to conduct an in depth environmental and social due diligence assessment on all agents serving G2 Ocean. Based on the results, we will create a detailed action plan.

Our performance

In 2023, G2 Ocean used 1 408 suppliers globally, where 368 were acquired during the year. 23% of these have been screened using both social and environmental criteria.

In addition, 100% of all new suppliers has been checked for non-compliance, sanctions, and social and environmental crimes.

During 2023, all members of the procurement department have received training on sustainable procurement.

Equipment recycling

Over 200,000 web slings have been recycled by G2 Ocean in the past four years. 43 260 of them were processed in 2023. G2 Ocean had kept a large quantity of web slings in storage in waiting for a reliable partner to help handle and recycle them and continues to

work on reducing this legacy. Of the total web slings recycled in 2023, 31 260 were recycled into raw material and 12 000 were converted into artificial dunnage.

The web sling project has inspired G2 Ocean to find ways to dispose of other types of equipment, such as airbags, dunnage bags and containers. In 2023, 6 576 rubber and polypropylene airbags were recycled.

Future priorities

Analysing Spend Data: In 2023, we acquired and started to implement a spend analytics tool in G2 Ocean. The implementation will be finalized in first half of 2024. The tool will give us a holistic picture of our entire supply base and enable future transparency.

Map Scope 3 emissions: We will also aim to implement a CO₂-analytics module in the same system. Our goal is to have an overview of our Scope 3 emissions based on spend during 2024, and to further develop this with more details in the following years.

Sustainable Procurement: In 2023, G2 Ocean implemented a Sustainable Procurement Policy. In 2024, we will work on operationalising this policy with a more detailed procedure and corresponding KPIs and targets.

Waste recycling: We will further develop sling recycling options in Europe and explore similar initiatives in Asia and North America. Additionally, we will continue the development of new recycling options for polypropylene airbags and alternatives to timber dunnage.

Figure 6: Recycled equipment

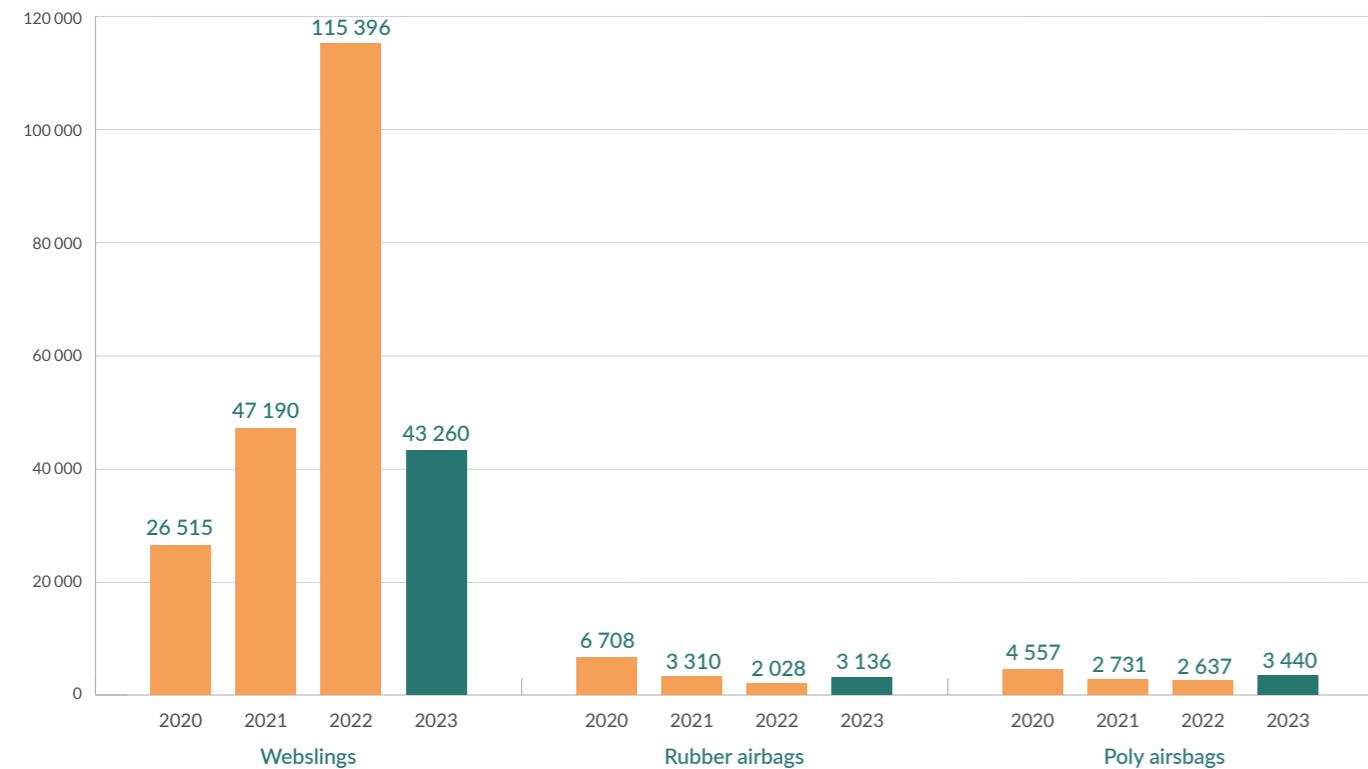
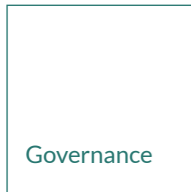


Table 24: Sustainable Supply Chain Performance Summary

Key performance indicator	2022	2023
Percentage of new suppliers screened using social criteria	22%	23%
Number of suppliers assessed for social impacts	80	131
Number of suppliers identified as having significant actual and potential negative social impacts	-	3
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	-	67%
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	-	-
Percentage of new suppliers that were screened using environmental criteria	22%	23%
Number of suppliers assessed for environmental impacts	80	131
Number of suppliers identified as having significant actual and potential negative environmental impacts	-	3
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	-	67%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	-	-
Percentage of procurement staff conducted sustainable procurement training	-	100%



Anti-Corruption and Anti-Competitive Behaviour

Bribery and corruption continue to be a significant global challenge that affect economies, governments, and societies. Although the number of bribery and corruption incidents in shipping has been drastically reduced in the past five years, 4 140 incidents were reported by the industry to the Maritime Anti-Corruption Network (MACN) in 2023.

G2 Ocean's objective is to establish a culture of integrity and ethical conduct where there are no instances of bribery or corruption within our organisation. Despite operating in areas with high levels of corruption, G2 Ocean has not experienced any bribery or corruption incidents in recent years.

It undermines trust, distorts fair competition, and hinders economic growth. By engaging in bribery and corruption, people compromise ethical standards and create an unfair playing field. It can lead to financial losses, damage reputations, and even have legal consequences. That is why it is important for G2 Ocean to have strong anti-corruption measures in place and promote a culture of integrity and transparency.

Our impacts, risks, and opportunities

G2 Ocean operates in areas with high levels of corruption. High-risk countries may have local officials that could be considerably underpaid and where corruption is routine and the temptation to pay bribes to those local officials to "facilitate" or "expedite" the import and export of cargo may be very high.

Shipping is a global business, with several stakeholders and jurisdictions involved in any shipment. Risks are assessed quarterly as part of G2 Ocean's risk management procedures and 100% of the operations have been assessed for risks related to corruption. Significant risks identified include under-invoicing, bribes for contracts, illicit payments to marine surveyors and customs officers and illegal purchase of letters of credit have been identified in our value chain.

High Risk Areas for corruption risks are detailed in the Trading Risk Report, current high risk areas being Nigeria, Argentina, India, Indonesia, Ukraine and the Suez Canal. Actions are taken to manage the risks.

One of G2 Ocean's key strategic objectives is to grow its business in various areas, including developing markets. This brings with it some increased risks as some of these markets have higher rates of bribery and corruption.

At G2 Ocean, we acknowledge that people involved in our operations may be exposed to bribery and corruption risks. By engaging in bribery and corruption, people compromise ethical standards and create an unfair playing field which can have serious financial, reputational, and legal consequences for G2 Ocean, our business partners, and the society.

Through our preventive measures, such as our Anti-Bribery and Corruption Policy, due diligence procedures and training, we work alone and together with other industry partners to not only mitigate these risks but to prevent bribery and corruption in any shape or form. Through this work, we aim to create opportunities for fair competition and economic growth, as well as foster trust and integrity in the industry.

What we do

Combatting bribery and corruption is a challenging task which requires collective efforts. An overview of our preventive work is included in this section.

Empowering employees

To empower employees with a clear and in-depth understanding of all aspects of bribery and corruption, G2 Ocean has launched a companywide e-Learning course. This training is mandatory for all employees.

In 2023, we also completed a webinar for all G2 Ocean employees to mark International Anti-Corruption Day. This webinar gave examples of bribery, explained how cases of bribery and corruption are dealt with and promoted G2 Oceans Anti-Bribery and Corruption Policy.

Policies

All G2 Ocean employees and people working in or on behalf of our company are required to adhere to our Anti-Bribery and Corruption policy, as well as our Anti-Trust Policy and Manual. This is detailed in our e-learning course and webinar training and aims to ensure that all staff are fully aware of the importance of adhering to the policy and therefore not taking part in any corruptive or anti-trust activities. As part of the Supplier Risk Management System, all new suppliers are advised of G2 Ocean's Anti-Bribery and Corruption Policy and asked to confirm their commitment by completing an online questionnaire. Also, anyone entering into a new contract or agents appointed by G2 Ocean have to acknowledge our Anti-Bribery and Corruption Policy.

Employee education

At G2 Ocean, we educate our employees about corruption and bribery through training courses, workshops, and information campaigns to ensure that they are fully aware of the negative impact they can have if they were to participate in any corrupt activities.

Maritime Anti-Corruption Network

G2 Ocean has been a member of the Maritime Anti-Corruption Network (MACN) since 2017. Together with 196 member organisations, we work towards the vision of a maritime industry free of corruption.

Reporting

We report on bribery- and corruption-related cases both internally and to MACN, which G2 Ocean has been a member of since 2017. This enables us to investigate cases, implement corrective actions to prevent future incidents, and learn from experiences.

Reporting to the MACN enables members to learn from each other to potentially avoid similar incidents across the industry.

MACN has collected over 53 000 incident reports of corrupt demands locally. MACN uses this data to analyse trends in the frequency of incidents, allowing MACN to target collective action efforts and engage with governments. It has been a successful method to facilitate constructive dialogue in meetings with governments and other stakeholders.

Risk assessments

We are performing regular risk assessments to identify the level of corruption in our operations and business activities. This enables G2 Ocean to target efforts in these areas and ensure compliance with our policies and procedures. In so doing, we aim to ensure we do not enter into any corrupt activities.

As part of our risk assessment procedures, G2 Ocean uses the Global Port Integrity Platform to identify and assess bribery and corruption risks at ports and terminals worldwide. Developed by MACN, the platform helps employees evaluate port-level corruption risks and in high-risk areas ensure that mitigating actions are completed.

Screening of Suppliers and Customers

At G2 Ocean, suppliers and Customers are screened to ensure that they are not sanctioned. In 2022, G2 Ocean implemented a Supplier Risk Management System where all new suppliers are screened, not only for sanctions but also for any ABC issues. If any issues are found and substantiated, we will not do business with that company.

Learn more about our supplier screening procedures, key identified risks, and actions on pages 58 to 61.

Collaboration

G2 Ocean collaborates with our owners, Gearbulk and Grieg, in a joint Compliance Forum. Here we work together and share competencies with the aim of improving our actions in stopping corruption. In 2022, we also implemented the G2 Ocean Compliance Group whose mandate is to ensure that G2 Ocean has a coordinated approach to manage its Compliance Risk. In so doing, ensure that G2 Ocean is aware of all

Compliance responsibilities and what needs to be implemented to comply with relevant legislation and any other requirements.

The Group includes representatives from Insurance, Legal and Claims, Finance and QHSE and is chaired by the Director of Compliance, Risk and Business Process.

Focus areas of the Group include recent incidents, sanctions, the Norwegian Transparency Act, third party management, anti-bribery and corruption, and anti-trust.

Our performance

Bribery and corruption incidents

As in 2022, we reported zero bribery and corruption incidents in 2023. Therefore, there were no confirmed incidents in which employees were dismissed or disciplined for corruption or contracts with business partners were terminated and no legal cases brought against the company or its employees during the period.

Anti-bribery and anti-corruption training

193 employees, 59% of the total (excluding secondment employees), participated in our anti-bribery and anti-corruption training in 2023.

Governance Bodies – two Board members, 29% of the total of the Board members completed anti-bribery and anti-corruption training in 2023, the remainder will complete in 2024.

Collaborations and communication

In 2023, 86 new suppliers received our Anti-Bribery and Corruption Policy via our Supplier Risk Management System. This was 6.1% of the 1 408 suppliers used during 2023 and 23% of all new suppliers. A breakdown of the suppliers who received our Anti-Bribery and Corruption Policy, by supplier type and region, is shown in table 25.

The Compliance Forum met 5 times in 2023. We will continue to train and communicate the importance of our actions during 2024.

Future priorities

We will continue our work to raise awareness of bribery and corruption and prevent any incidents from occurring. Our priorities for 2024 are as follows:

- **Communicate our Anti-Bribery and Corruption Policy:** Ensure that all high-risk suppliers have received and confirmed acceptance of the G2 Ocean Anti-Bribery and Corruption Policy
- **Industry collaboration:** Continue to attend and participate in MACN regional meetings to stay updated on industry trends, share knowledge, experiences and best practices
- **Internal training:** Continue to raise awareness of bribery and corruption by providing all employees training on anti-bribery and corruption and anti-money laundering
- **Due Diligence:** Implement due diligence for all customers to ensure informed decision-making and mitigate potential risks

- Relevant documents
- 📄 Anti-Bribery and Corruption Policy
 - 📄 Anti-Trust Policy
 - 📄 Code of Business Conduct
 - 📄 Supplier Code of Conduct
 - 📄 Human Rights and Decent Work Conditions Policy

Table 25: Distribution of Anti-Bribery and Corruption Policy by supplier type and country

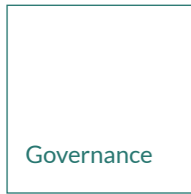
Country /Type	Administration	Beneficiary	Broker	Bunker Supplier	Carrier	Consultant	Cyprus	Equipment	Insurance	IT	Legal Services	Port Agent	Port Captain	Stevedores	Transport	Vessel Owners	Grand Total
Australia								1									1
Belgium								2									2
Brazil	1		1	2				1	1								6
Canada								1									1
China				1				1				2					4
Denmark						1						1					2
Equipment								1									1
Finland								1		2							3
France										1				1			2
Germany			1		1			1								1	4
Hong Kong				1													1
India								1									1
Indonesia								1									1
Italy			1	1								2					4
Malaysia													1				1
Malta			1														1
Mauritius												1					1
Netherlands	3			2				6							1		12
Norway	8					2				2	2						14
Saudi Arabia								1									1
Singapore			2					1				1					4
South Africa			1	1													2
Spain								2									2
Switzerland	1																1
Thailand		1															1
United Arab Emirates			2														2
United Kingdom	2			1					1	1	1						6
United States				1				1				1			1		4
Uruguay			1														1
Grand Total	15	1	10	10	1	3	1	21	2	6	3	8	1	1	2	1	86

Table 26: Total number of employees completed anti-bribery and corruption training by employee category and region

Employee category	Region						Grand Total
	Africa	Asia	Australia	Europe	North America	South America	
Director	1	6		13	1	1	22
Manager/Senior Professional	2	25	1	10	18	5	61
Managing Director/Vice President				3			3
Professional	1	67		19	15	5	107
Grand Total	4	98	1	45	34	11	193



G2 Ocean's headquarters in Bergen, Norway. Photo: Lumir



Cyber Security

Protecting our organisation from data breaches and cyberattacks has become increasingly important in the past few years due to the greater level of digitalisation of work processes across the company and the growing threat of cyberattacks. With the increasing reliance on technology and the internet, it is becoming easier for hackers and cybercriminals to gain access to sensitive information and disrupt systems. The challenge of addressing cyber threats lies in the constantly evolving nature of these threats and the difficulty in detecting and preventing them. Failure to protect G2 Ocean from cyberattacks can have severe impacts on the company.

In this section of the report, you will find information of the cyber security impacts, risks and opportunities that arise from our activities. We also describe how we effectively manage these to protect personal data and ensure business continuity.

Our impacts, risks, and opportunities

Cyberattacks can lead to data breaches, compromising sensitive information such as customer data, financial records, or intellectual property. This can result in financial losses, damage to G2 Ocean's reputation, and potential legal and regulatory consequences. Additionally, cyberattacks can disrupt business operations, leading to downtime for our vessels, loss of productivity, and potential loss of customer trust.

G2 Ocean recognises the risks that cyber threats pose to the company and has implemented several security measures to protect the business against cyberattacks. By continuously investing in security controls, G2 Ocean not only reduces its risk of exposure to cyber threats but also ensures that customers are provided with a more reliable and secure service. By proactively identifying and addressing potential risks, we can minimise disruptions to our operations and ensure that our customers can rely on us to deliver their cargo on time and without interruption.

At G2 Ocean, we also believe in supporting our partners and customers in mitigating cyber risk. If we detect a cyber risk originating from a customer or partner, we will inform them of the issue and work together to address it. By taking a collaborative approach, we can minimise the impact of cyberattacks and ensure the security of all stakeholders involved.

G2 Ocean receives and shares cyber threat intelligence information with several security entities across the Maritime and Shipping sector, such as the Norwegian Maritime Cyber Resilience Centre, in addition to well-known national and global organisations. Threat intelligence information relevant to our business is evaluated and used to improve detection and reduce cyber risk. G2 Ocean is part of various initiatives and regularly participates in cyber security forums to share knowledge and learn about the threats against our industry.

What we do

Cyber Security Plans, Policies and Procedures

G2 Ocean has established comprehensive cyber security plans, policies, and procedures tailored to address relevant threats. This enables our IT security team to respond swiftly to incidents. Our Information Security Policy describes our commitment to protecting the confidentiality, integrity, and availability of company data and the systems that handle this data. The policy applies to all employees, contractors, and authorised users.

The policy has the following key objectives:

- Protecting company data throughout its lifecycle, adhering to its sensitivity and value.
- Securing information systems against unauthorized access or breaches.
- Ensuring compliance with legal and regulatory standards.
- Proactively identifying and mitigating security risks.
- Fostering a culture of security awareness and vigilance.
- Engaging with external partners to enhance security measures.
- Continually refining and improving security practices.

Additionally, we have implemented an internal Acceptable Use Policy which sets clear guidelines for using company systems and devices. It aims to maintain a well-functioning network, reduce corruption risk, and shield G2 Ocean from cyberattacks. This policy, applicable to all staff levels.

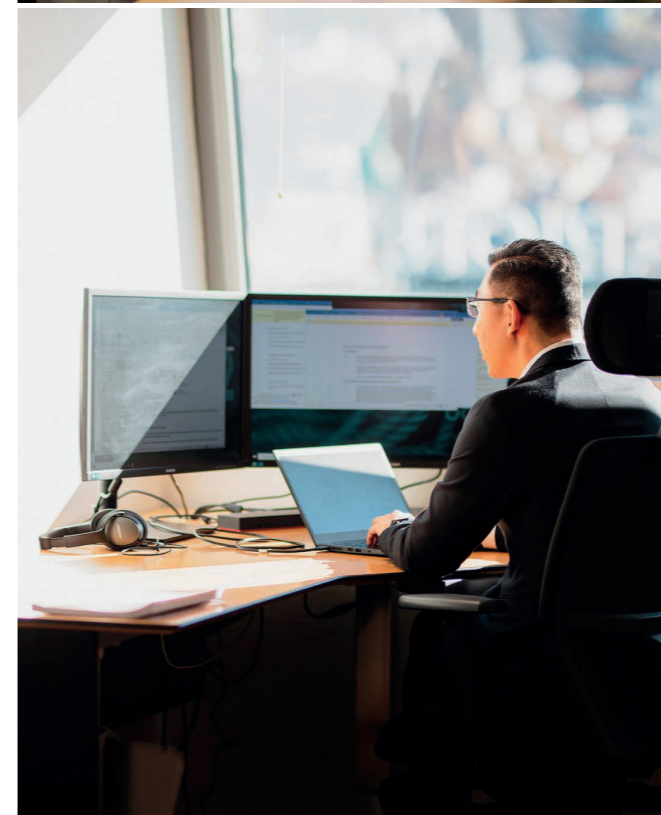
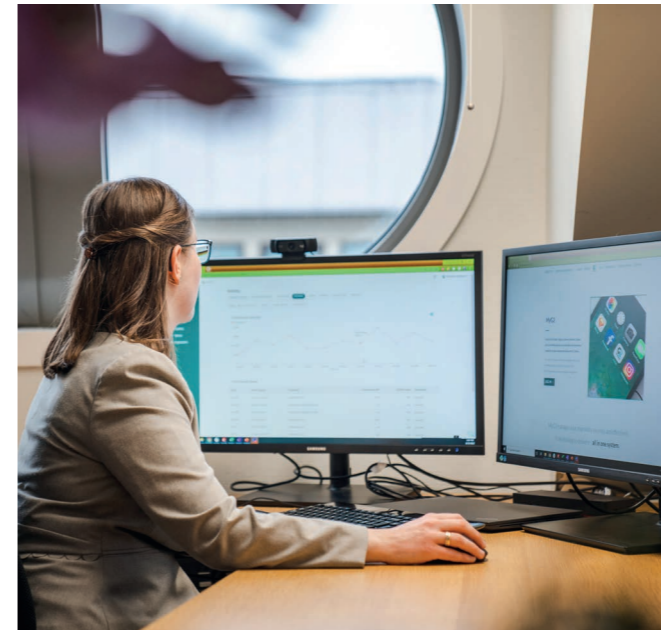
Our Cyber Security Manager has the overall responsibility of the policies and reviews them annually, or as needed, to ensure they remain effective and relevant.

Cyber Incident Response Exercises

To stay prepared for IT emergencies, G2 Ocean aims to conduct annual cyber security exercises with the company's Cyber Security Emergency Response Team. The exercise is based on a prepared scenario that reflects real cyber threats and allows G2 Ocean to verify Business Continuity plans and identify needs for improvement in relevant processes related to keeping the business running during outages of critical IT systems.

Cyber Security Training

To stay familiar with current threats, social engineering and phishing techniques, G2 Ocean implemented a gamified cyber security training platform in 2021 that sends regular simulated phishing tests to employees and provides them with quick, in-the-moment security awareness training. The gamified platform is used actively by our employees. The high frequency of phishing simulations and training gives the IT security team a better understanding and visibility of the actual knowledge gaps in the company.



Complementing this, we also provide a mandatory, in-person training programme for all new employees. This orientation session provides up-to-date information on the latest cyber threats and best practices for secure IT usage. It's tailored to educate new joiners about the specific threats relevant to our operations and the measures we take to mitigate them.

Cyber Security Awareness Month

In October every year, G2 Ocean marks Cyber Security Awareness Month to increase employees' knowledge of cyber security threats, and thereby strengthen cyber resilience in the organisation. Throughout the month of October, articles, tips, and activities are provided to the employees to promote and raise awareness of cyber security.

Our performance

Two years after implementing our gamified cyber security training platform, 92.0% of G2 Ocean's employees have been onboarded to the platform and are actively using it (user). By continuing to make training a priority and motivating employees to engage in the platform, we are aiming to reach 100% active participation.

As part of our cyber security training, we monitor the percentage of total users failing to detect simulated phishing emails by clicking on a link in the email (fail rate). The average fail rate in 2023 for users that have received 30 simulated phishing emails is 3.7%. Training users to react to phishing emails by reporting them has resulted in a greater number of reports on real phishing emails, enabling our IT Security Team to act on the real threats and make adjustments to email security filters.

Future priorities

To further improve our cyber security, G2 Ocean will pursue the following initiatives in the years to come:

Cyber training: We will continue enhancing user education and engagement, making our workforce more vigilant against security threats.

Cloud security and data protection: A significant emphasis will also be placed on strengthening cloud security and data protection, adapting to new challenges and ensuring robust defence against emerging cyber risks.

Cyber security alignment: Continuously focusing on aligning our efforts with established security frameworks is paramount in elevating our cyber security protocols and safeguarding against evolving cyber threats.

Table 27: Cyber Security Performance

Key Performance Indicator	2022	2023
Percentage of employees actively participating in gamified phishing training (onboarding rate)	89.0%	92%
Average fail rate for employees receiving 30 simulated phishing emails (fail rate)	3.5%	3,7%

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Definitions

Throughout this report “G2 Ocean”, “Company”, “Joint Venture”, “Group”, “we”, “us” and “our” refer to G2 Ocean AS and its subsidiaries. Subsidiaries comprise consolidated entities.

The Company’s functional and reporting currency is the US Dollar. Unless otherwise indicated all references to “USD”, “US\$” or “\$” refer to United States Dollars, the currency of the United States of America.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“USGAAP”).

Spruce Arrow at Long Beach, California, USA.

Photo: James Rexwinkel



Directors report

Our organization

G2 Ocean AS (“Company” or “G2 Ocean”) is the world’s largest shipping company within the open hatch segment, operating a core fleet of 90 open hatch vessels as of December 31, 2023. In addition, on average 26 vessels has been chartered from third parties on short-term contracts during 2023.

The Company is a joint venture between two of the world’s leading open hatch shipowning companies, Gearbulk Holding AG (“Gearbulk”) and Grieg Shipholding AS, a subsidiary of Grieg Maritime Group (“Grieg”). The Company is jointly controlled by Gearbulk and Grieg, with Gearbulk owning 65% and Grieg owning 35%.

G2 Ocean does not own vessels on its own, but operate vessels owned or chartered by Gearbulk and Grieg Maritime Group, as well as vessels chartered from third parties on short-term time charters. The Company combines the global resources and expertise of Grieg and Gearbulk to operate the joint fleet of open hatch and semi open hatch vessels.

G2 Ocean AS is a company registered in Norway. The headquarters of G2 Ocean is located in Bergen, Norway, with regional hubs located in Atlanta and Singapore. G2 Ocean currently employs 328 employees and has 15 offices around the world.

Business segment

G2 Ocean is a commercial and customer-oriented shipping joint venture operating worldwide within the Open Hatch segment.

Open Hatch segment

Our Core fleet		Gearbulk	Grieg	Total
	Handysize	1	-	1
	Handymax	10	10	20
	Supramax	20	20	40
	Ultramax	18	-	8
	Panamax	11	-	11
Total		60	30	90

G2 Ocean’s open hatch activities offer its customers a broad parcel cargo carrier concept, transporting a variety of different cargoes which involve complex handling and loading operations. This requires a diversified fleet, flexible sailing patterns and a highly competent organization.

Annual accounts

Results, earnings and operations

2023 was a challenging year in the dry bulk market with substantial fluctuations in market rates, driven by a complex interplay of macro-economic, geopolitical, and regulatory factors.

G2 Ocean’s gross revenue in 2023 ended at USD 1 395.0 million (2022: USD 2 129.5 million). The voyage related expenses amounted to USD 656.7 million (2022: USD 848.2 million) and the time charter rental expenses amounted to USD 142.2 million (2022: USD 353.1 million). The income from operations before pool distribution amounted to USD 529.9 million (2022: USD 857.9 million). This resulted in a pool distribution to the Pool participants of USD 520.0 million (2022: USD 851.6 million).

The net earnings per vessel per day in 2023 decreased by 38.1% compared to 2022, driven by softening market with lower freight rates. G2 Ocean’s Income before income tax was USD 4.3 million (2022: USD 4.6 million). The Net income result for 2023 was USD 2.6 million (2022: USD 3.3 million).

Balance sheet, financial situation and cash flow

The Company’s book equity was USD 38.3 million (2022: USD 30.5 million) at year-end, whereof USD 28.1 million (2022: USD 28.1 million) was injected capital. By end 2023 the equity ratio was 16.4% (2022: 11.0%). By the end of 2023, the Company had total assets of USD 234.0 million (2022: USD 276.9 million), with current assets accounting for USD 189.3 million (2022: USD 208.0 million).

Based on net positive cash flows from operations of USD 17.8 million (2022: positive by USD 29.4 million), a net negative cash flow from investments of USD 2.9 million (2022: USD 6.8 million) and a net negative cash flow of USD 14.0 million (2022: negative by USD 19.1 million) from financing activities, the Group’s net change in liquid funds in 2023 was positive by USD 1.5 million (2022: positive by USD 3.3 million). Liquidity in the form of bank deposits, cash and undrawn credit facility at year-end totaled USD 25.7 million (2022: USD 38.2 million).

Working environment and occupational health

The Board considers the conditions related to the working environment and health in G2 Ocean to be good. The management works

closely together with the employee representatives in monitoring and improving the overall working environment.

At year-end, G2 Ocean had 328 employees.

Health, environment and safety

The safety of our people, and the integrity of our operations, are important and it has been a priority in G2 Ocean to improve and focus on safety in 2023.

As a result, a number of initiatives and actions have been implemented throughout the year. One of these initiatives is the establishment of a set of shared safety behaviors across the organization: the 5 Safety I’s which aim to guide employees in their daily work and give the company a common language and safety culture to discuss safety issue with the overall objective to strengthen the safety performance in G2 Ocean. At G2 Ocean, the wellbeing of the employees is being prioritized and various healthcare benefits are offered alongside encouragement and facilitation of participation in physical activities for its personnel to keep healthy. The records show no personnel injuries for G2 Ocean employees in 2023.

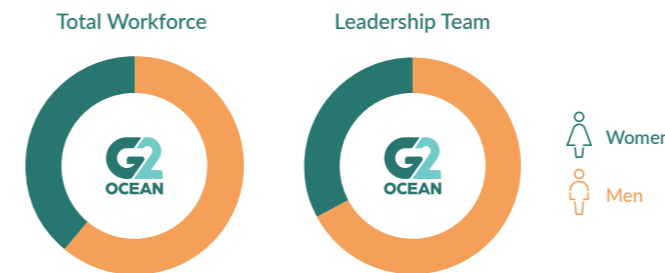
The 2023 general sick leave for the global organization was 0.8% compared to 1.1% in 2022.

Equal opportunities

At G2 Ocean, we are committed to providing equal opportunities for all employees. We have a zero-tolerance policy for workplace harassments and do not accept any form of discrimination.

G2 Ocean is working systematically to promote equality and prevent discrimination on the basis of, for example, gender, pregnancy, leave in connection with childbirth, ethnicity, religion, disability or sexual orientation.

At year-end 2023, the total workforce in the G2 Ocean Group reflected a distribution between the genders of 39% women and 61% men.



For the leadership team, the gender distribution was 33% women and 67% men.

At year-end 2023, the Company’s Board of Directors consisted of 1 woman and 6 men, including 2 deputy board members. To learn more about our efforts to promote equality and prevent discrimination, please refer to pages 46 to 52.

External environment

As a global shipping company, G2 Ocean’s business activities have both direct and indirect environmental impacts. Our main environmental impacts are linked to the transportation of cargo, purchased products and services, energy use, business travel and waste generation.

G2 Ocean is committed to be a sustainable, pioneering and responsible company and has implemented the following UN Sustainable Development Goals as part of its long-term strategy: (4) Quality education, (8) Decent work and economic growth, (9) Industry, innovation and infrastructure, (12) Responsible consumption and production, (13) Climate action, (14) Life below water, and (16) Peace, justice and strong institutions.

Climate ambitions

As a global shipping company, G2 Ocean’s business activities have environmental implications. Our direct impact on the environment arises from the emissions generated by our vessel operations. Additionally, our indirect impact extends to the goods and services we procure, air travel, upstream transportation, among other categories. These impacts pose regulatory, financial, and market risks, but they also present opportunities for growth, innovation and improvement.

G2 Ocean is committed to becoming a net-zero emissions company by 2050 and to bringing in zero-emission capable vessels by 2030. In line with the strategy of the International Maritime Organization (IMO), G2 Ocean is also committed to reducing greenhouse gas emissions per transported unit by a minimum of 40% by 2030 from 2008 levels. In order to reach our climate ambitions, we are dependent on the support and commitment of our customers and other business partners.

Ethics, integrity and transparency

The G2 Ocean Code of Business Ethics sets out the governance principles to follow in terms of business practices, relations with business partners, anti-corruption, confidentiality and more. It applies to all employees as well as customers, suppliers, agents, stevedores, brokers, consultants, financial institutions, and other counterparties to which we provide or receive services from.

Any form of bribery or corruption is unacceptable to G2 Ocean. To cooperate with like-minded industry companies to promote compliance with anti-corruption laws, G2 Ocean has been a member of the Maritime Anti-Corruption Network (“MACN”) since 2017. Our membership is a continuation of our owners, Gearbulk and Grieg Maritime Group’s, long-term involvement in this organisation.

G2 Ocean has a whistleblowing policy in place which allows anonymous reporting of suspicion of non-compliance either to an external supplier or internally.

G2 Ocean’s Transparency Act statement is published on www.g2ocean.com.

Corporate social responsibility

G2 Ocean's vision is "Pioneering Sustainable Shipping Solutions". The long-term strategy focuses on providing a positive contribution to G2 Ocean's customers, suppliers, employees, owners, the society and the environment. G2 Ocean takes its Corporate Social Responsibility ("CSR") seriously and continuously works to ensure that all activities are handled responsibly. Our actions and business practices are always grounded in the G2 Ocean vision, our Behavioral Principles and the UN Sustainable Development Goals. G2 Ocean aspires to be recognized for its responsibility, honesty and high integrity in all markets and services.

Risk

Managing risk is important for value creation and an integrated part of the Company's management and governing model. G2 Ocean's key risk factors relate to market operations, safety, financial management, cyber security, compliance and regulatory framework.

With the increasing reliance on technology and the internet, the risk of cyber threats is constantly evolving. Protecting our organisation from data breaches and cyberattacks has accordingly become increasingly important in the past few years due to the greater level of digitalization of work processes across the company and the growing threat of cyberattacks. In order to minimize the cyber security risk a number of measures and actions are being taken to stay prepared and counter any cyber threats.

G2 Ocean's financial and market risk is mainly composed of risks related to the development of freight rates, bunker prices and currency rates. In order to reduce these risks, G2 Ocean is undertaking hedging activities by use of financial instruments to ensure the risk is at a reasonable level and in accordance with the strategy.

The earnings in the open hatch segment are to a large extent related to cargo contracts, and as this shipping activity is of an industrial character, it implies that revenues are less volatile than in the spot market, and that changing market conditions generally have a delayed effect on the results.

G2 Ocean assumes counterparty risk in all parts of its business. Issues related to credit risk as well as sanction regulations are frequently controlled and considered part of the daily business. G2 Ocean has a sanction screening tool which regularly screens counterparties against applicable sanction lists.

Corporate governance

To ensure a sound practice when it comes to the division of tasks and roles between the administration, the Board of Directors and the General Meeting, the Norwegian Code of Practice for Corporate Governance is applied as far as practicable for a privately-owned company.

G2 Ocean has a Director & Officers insurance providing financial protection for the Board of Directors and the CEO up to a certain threshold and providing financial protection for G2 Ocean from reimbursement costs to indemnify Board of Directors and the CEO

for their losses, as well as from defense costs associated with lawsuits and investigations.

The market

2023 was a challenging year in the dry bulk market with substantial fluctuations in market rates, driven by a complex interplay of macro-economic, geopolitical, and regulatory factors. Commencing the year with Supramax market index rates around USD 11 000, they dipped to USD 7 000 before rebounding, showcasing the inherent volatility. Geopolitical tensions, alongside China's economic influence, played an important role in shaping commodity production, price dynamics, and the overall freight market. The dry bulk freight market in 2023 saw an overall price decline compared to 2022, but signs of a sentiment change emerged in December, particularly in the Atlantic region. The first half of 2023 witnessed a subdued market, influenced by a Chinese economic slowdown, rising interest rates globally, and geopolitical tensions. However, a resurgence in late summer, fueled by higher demand and increased Chinese infrastructure spending, brought an upturn for the bulk market.

The positive momentum slowed in October due to factors including the Chinese Golden Week holiday, raising concerns about the sustainability of the freight rates. Nonetheless, the last months of the fourth quarter showed seasonal strength, with rates rebounding again. Both the Supramax and Handysize segments of the Dry Bulk market demonstrated positive and resilient development throughout 2023, with notable improvements towards the end of the year.

Towards the end of 2023, the crisis in the Red Sea impacted market rates. Disruptions to traditional shipping routes led to a surge in demand for alternative pathways, raising the value of available capacity and subsequently driving up rates.

2024 expectations

In summary, G2 Ocean is cautiously optimistic for 2024, with several factors impacting both the supply and demand sides. On the demand side, uncertainties persist due to global macroeconomic risks, challenges in the Chinese property sector, and the potential impact of geopolitical events on the global economy. However, recent events at the Panama Canal and in the Red Sea present potential market upside, as transit restrictions could redirect trade routes towards longer-haul routes, supporting tonne-mile demand.

For a further description both with regards to 2023 and the expectations for 2024, we refer to page 11 in the Annual Report.

Going concern

The Board of Directors confirms that the annual accounts have been prepared on the basis of the going concern assumption and that this assumption is valid. The consideration is based on the group's financial position and expectations of future earnings. The Board believes that the submitted annual accounts give a correct picture of the results, cash flows and economic situation. No events have taken place after the balance sheet date, which significantly would affect the accounts.

The Board of Directors are grateful for the effort and the results achieved by all employees throughout 2023.



Bergen, March 12, 2024

The Board of Directors of G2 Ocean AS

Kristian Jebsen
Chair

Camilla Grieg
Vice Chair

Hans Petter Aas
Board Member

Arthur English
CEO

Matthew Robert Cagienard Duke
Board Member

Hans Olav Lindal
Board Member





Consolidated Financial Statements

Consolidated Statement of Income

For the period (USD 1 000)	Note	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Total revenues	3, 4	1 394 972	2 129 450
Operating expenses			
Voyage related	4, 5	656 697	848 248
Time charter rental	6, 7	142 163	353 119
Depreciation and amortization	16, 17	6 324	6 409
Selling, general & administrative	7, 8, 9	59 873	63 780
Income from operations before pool distribution		529 915	857 894
Pool distribution to Pool Participants	10	520 048	851 574
Income from operations		9 867	6 320
<i>Non-operating income / (expenses):</i>			
Interest income / (expense)		(1 710)	(540)
Other income and expenses, net	11	(3 838)	(1 200)
Income before income taxes		4 319	4 580
Income tax expense	12	1 727	1 315
Net income		2 592	3 265

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the period (USD 1 000)	Note	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Comprehensive Income / (Loss)			
Net income		2 592	3 265
Other Comprehensive Income / (Loss)			
Net change in the fair value of cash flow hedges	13	4 942	(2 887)
Translation adjustment		306	(104)
Other		17	(37)
Comprehensive Income / (Loss) for the period		7 857	237

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

Assets as per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Current assets			
Cash	24	9 838	8 367
Trade receivables (net)	10, 21	82 291	85 611
Related parties receivables	10	2 700	10 015
Accrued voyage revenue	22	20 580	23 227
Inventories	20	56 863	72 994
Prepaid expenses		12 020	4 501
Other current assets	14, 15, 19	5 020	3 264
Total current assets		189 312	207 979
Non-current assets			
Property, plant and equipment	17	21 538	24 903
Right-of-use assets	7	4 124	24 993
Goodwill	16	17 758	17 733
Other non-current assets	23	1 302	1 328
Total non-current assets		44 722	68 957
Total assets		234 034	276 936

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

Liabilities and Shareholder's Equity as per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Liabilities and Shareholder's Equity			
Current liabilities			
Short-term debt	29	34 113	20 202
Trade payable		24 707	39 628
Related parties payable	10	10 328	4 687
Lease liability, current	7	2 856	21 453
Accrued liabilities	30	52 718	61 973
Deferred voyage revenue	22	60 040	78 541
Other current payables	14, 15, 31	5 865	9 904
Total current liabilities		190 627	236 388
Non-current liabilities			
Related parties payable	10	-	3 000
Lease liability, non-current	7	1 469	4 059
Other non-current liabilities	27, 28	3 628	3 036
Total non-current liabilities		5 097	10 095
Total liabilities		195 724	246 483
Shareholder's equity			
Share capital; par value NOK 1 421: issued and outstanding 84 360 shares	25, 26	14 471	14 471
Additional paid-in capital	26	13 652	13 652
Retained earnings		8 380	5 788
Accumulated other comprehensive income/ (loss)	13	1 807	(3 458)
Total equity		38 310	30 453
Total liabilities and shareholder's equity		234 034	276 936

The accompanying notes form an integral part of these consolidated financial statements.

Bergen, March 12, 2024
The Board of Directors of G2 Ocean AS

Kristian Jebsen
Chair

Camilla Grieg
Vice Chair

Hans Petter Aas
Board Member

Arthur English
CEO

Matthew Robert Cagienard Duke
Board Member

Hans Olav Lindal
Board Member

Consolidated Statement of Changes in Shareholder's Equity

For the period Jan 1 - Dec 31, 2023 (USD 1 000)	Share capital (Number)	Share capital (\$)	Additional paid in capital (\$)	Retained earnings (\$)	Accumulated Other Comprehensive Income / (Loss) (\$)	Total Shareholder's Equity (\$)
Balance at Jan 1, 2023	84 360	14 471	13 652	5 788	(3 458)	30 453
Net change in fair value of cash flow hedges	-	-	-	-	4 942	4 942
Translation adjustment	-	-	-	-	306	306
Net income	-	-	-	2 592	-	2 718
Other	-	-	-	-	17	17
Balance at Dec 31, 2023	84 360	14 471	13 652	8 380	1 807	38 310

For the period Jan 1 - Dec 31, 2022 (USD 1 000)	Share capital (Number)	Share capital (\$)	Additional paid in capital (\$)	Retained earnings (\$)	Accumulated Other Comprehensive Income / (Loss) (\$)	Total Shareholder's Equity (\$)
Balance at Jan 1, 2022	84 360	14 471	13 652	2 523	(430)	30 216
Net change in fair value of cash flow hedges	-	-	-	-	(2 887)	(2 887)
Translation adjustment	-	-	-	-	(104)	(104)
Net income	-	-	-	3 265	-	3 265
Other	-	-	-	-	(37)	(37)
Balance at Dec 31, 2022	84 360	14 471	13 652	5 788	(3 458)	30 453

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

Cash flows as per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Cash flows from operating activities			
Net income		2 592	3 265
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortization	16, 17	6 324	6 409
Non-cash lease expense	7	21 600	20 604
Net (gains) losses from disposals	17	(58)	84
Financial cost		2 991	964
Changes in operating assets and liabilities			
Trades receivable	21	3 320	(3 638)
Inventories	20	16 131	(11 705)
Prepaid expenses and other assets		(7 141)	(3 099)
Accrued voyage revenue	22	2 647	(6 102)
Deferred voyage revenue	22	(18 501)	(7 185)
Accrued liabilities	30	(9 255)	8 322
Trade payable		(14 921)	22 240
Payments to and from related parties	10	12 956	150
Other payables		64	(881)
Other, net		(897)	9
Net cash provided / (used) by operating activities		17 852	29 437
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(2 933)	(6 918)
Disposal of fixed assets	17	-	141
Net cash provided / (used) by investing activities		(2 933)	(6 777)
Cash flows from financing activities			
Proceeds from revolving credit facility	29	13 911	4 972
Repayment of loans to related parties	10	(3 000)	(3 000)
Payment of lease liabilities	7	(21 946)	(20 094)
Payment of finance costs		(2 991)	(964)
Net cash provided / (used) by financing activities		(14 026)	(19 086)
Net increase / (decrease) in cash		893	3 575
Effect of exchange rate changes on the cash in the year		578	(253)
Cash at the beginning of the year	24	8 367	5 045
Cash at the end of the year		9 838	8 367
Supplementary disclosure			
Cash at the beginning of the year		792	346
Interest paid		2 991	964
Interest received		1 282	424

The accompanying notes form an integral part of these consolidated financial statements.



Notes to the Consolidated Financial Statements

Note 1 Description of the business

These are the consolidated financial statements of G2 Ocean AS ("Company" or "G2 Ocean") and its subsidiaries. Investments in companies in which the we control, or directly or indirectly hold more than 50% of the voting control of, are consolidated in the financial statements.

G2 Ocean is a global ship operator within the open hatch segment. Founded as a joint venture company in 2017 by the ship-owning companies Gearbulk Holding AG ("Gearbulk") and Grieg Shipholding AS, a subsidiary of Grieg Maritime Group ("Grieg"), G2 Ocean operates as of December 31, 2023 a core fleet of 90 open hatch vessels with gantry or jib cranes with box-shaped holds. In addition, on average 26 vessels have been chartered from third parties on short-term contracts during 2023. The network of worldwide offices provides a presence on every continent to serve the customer's needs locally and globally.

Note 2 Summary of Significant Accounting Policies

2.1 Basis of presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("USGAAP").

2.2 Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are identified under either the voting interest model, where the Company exercises control through owning the majority of the voting interests in the entity, or the variable interest model, where the Company has been identified as the primary beneficiary of the risks and rewards associated with a variable interest entity.

All intercompany balances and transactions have been eliminated.

2.3 Use of estimates

Preparation of financial statements in accordance with USGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2.4 Changes in accounting principles

On January 1, 2023, G2 Ocean AS adopted the Accounting Standards Update No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which revises guidance for the accounting for credit losses on financial instruments within its scope. The new standard introduces an approach, based on expected losses, to estimate credit losses on certain types of financial instruments and modifies the impairment model for available-for-sale debt securities. Additionally, ASU 2019-04 Codification Improvements to Topic 326, 2019-11 Codification Improvements to Topic 326 and ASU 2019-05 Targeted Transition Relief was subsequently issued. The adoption of this accounting standard has not had any material impact on our consolidated financial statements.

2.5 Revenue and Voyage Related Expenses Recognition

Revenue from contracts with customers is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which G2 Ocean expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

2.5.1 Freight revenue

G2 Ocean recognizes revenue from rendering of transportation services over time, because the customer simultaneously receives and consumes the benefits provided by the Company. G2 Ocean has decided that every voyage consist of a single performance obligation of transporting the cargo within a specific time period. Therefore, the performance obligation is met evenly as the voyage progresses and the freight revenue is recognized over time from load port to discharge port by measuring the progress towards complete fulfillment of the performance obligation(s) under the contract. Number of days sailed from load port compared to total estimated days until discharge port is used as a measure progress. The method applied is the one that most faithfully depicts our progress towards complete satisfaction of the performance obligation.

2.5.2 Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the service to the customer. The variable consideration is estimated at contract inception or when changes in circumstances occur and is recognized as revenue if it is highly probable that there will not be a significant reversal of revenue in a future period. The Company is estimating demurrage revenue as a variable consideration when delays occur and the vessel is prevented from loading or discharging cargo within the stipulated laytime. The variable consideration based on contracted price terms and estimated excess time taken to discharge or load are being recognized as part of the freight service revenue over time for the remaining voyage (from the delay occurs to the discharge port).

2.5.3 Contract balances

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

A trade receivable represents the Company's right to an amount of consideration that is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company fulfills the performance obligation(s) under the contract.

2.5.4 Cost to obtain a contract

G2 Ocean has elected to apply the optional practical expedient for costs to obtain a contract, e.g. voyage costs and broker commissions, which allows the Company to immediately expense such costs when the related revenue is expected to be recognized within one year.

2.6 Depreciation

Depreciation is charged on a straight-line basis, using rates calculated to write off the cost of property, plant and equipment to its estimated residual value over the following periods:

Item	Period
Machinery & equipment	Up to 12 years
Cars, furniture & fixtures	Up to 5 years
IT equipment & software	Up to 5 years

On retirement or disposal of property, plant and equipment the difference between any proceeds received and the net book value of the respective asset is recognized as a gain or loss in the Statement of Income.

Leasehold improvements are depreciated over the period of the lease.

2.7 Foreign Currency

The Company's functional and reporting currency is the US Dollar. Assets and liabilities denominated in foreign currencies are translated to US Dollars using the rates of exchange at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated into US Dollars using the exchange rate on the date of the transaction. Exchange gains and losses on settlement or translation are included in Net income / (loss).

Assets and liabilities of foreign subsidiaries, whose functional currency is not the US Dollar, are translated using the rates of exchange at the balance sheet date. Revenues and expenses of foreign subsidiaries are translated at average exchange rates prevailing during the year. Exchange gains and losses arising from the translation of foreign subsidiaries are reported as a separate component of Other Comprehensive Income / (Loss) as a translation adjustment.

The cash flows from derivative instruments, which are accounted for as hedges of forecasted foreign currency denominated transactions, are classified in the statement of cash flows in a manner consistent with the underlying nature of the hedged transactions. Foreign currency transaction gains or losses are reported in other income and expense in the Consolidated statement of Income.

2.8 Cash

Cash include cash in hand and in bank, and deposits held at call with banks. Restricted cash consists of cash, which may only be used for certain purposes under our contractual arrangements.

The amount of cash in the cash flow statement does not include available credit facilities.

2.9 Loans and receivables

Trade receivables, other receivables and long term receivables are presented net of allowances for doubtful balances.

The company creates the allowance for expected credit losses to reflect the risk of estimated loss during the lifetime of receivables. The Company makes significant judgements and assumptions to estimate its expected losses. The allowance for credit losses can be determined using various methods, such as loss-rate methods, probability-of-default method or methods that utilize an aging schedule. These conditions are considered in relation to individual receivables or in relation to groups of similar types of receivables. At each reporting date, the allowance for credit losses is recorded as a reduction of receivables. Net income is adjusted to reflect the change in estimate from prior period. On January 1, 2023, we adopted ASU No 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The adoption of this accounting standard has not had any material impact on our consolidated financial statements.

If trade accounts receivable become uncollectible, they are charged as an operating expense. Allowance for doubtful balances is deducted from the allowance for credit losses and recorded separately as a reduction of accounts receivable. Allowance for doubtful balances are recorded in the period in which the financial assets are deemed uncollectible.

2.10 Inventories

Inventories are recorded at the lower of cost and net realizable value with cost determined using the first-in-first-out ("FIFO") method.

2.11 Property, Plant and Equipment

Property, plant and equipment is recorded at historic cost, less accumulated depreciation and any impairment. Property, plant and equipment includes capitalized Information Technology ("IT") system costs. Where an asset is constructed over an extended period and the Company is responsible for funding the construction, interest is capitalized into the cost of the asset.

The Company performs impairment reviews when there is a triggering event and to supplement this the company performs reviews annually. These reviews are based upon comparisons between book values and estimated market values and projections of anticipated future cash flows. The projections of anticipated future cash flows are derived from approved budgets and medium-term forecasts. Thereafter, cash flows are adjusted by long term global growth rates considered applicable to the Company's revenues and costs. An impairment loss is recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposal of the asset. That assessment is based on the carrying amount of the asset at the date it is tested for recoverability, whether in use or under development. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

2.12 Intangible Assets

Internally generated intangible assets are not carried in the Company's Consolidated balance sheet.

2.13 Goodwill and impairment of goodwill

Goodwill arising from a business combination, being the value of purchase consideration in excess of amounts allocable to identifiable assets and liabilities is not amortized and is subject to annual review for impairment or more frequently should indications of impairment arise. For purposes of performing the impairment test of goodwill, we have established that the Company has one reporting unit: Open-hatch.

Impairment of goodwill in excess of amounts allocable to identifiable assets and liabilities is determined using a one-step approach, based on a comparison of the fair value of the reporting unit to the book value of its net assets; if the fair value of the reporting unit is lower than the book value of its net assets, then an impairment loss is recognized for the difference. We estimate the fair value of the Company based on a discounted cash flow analysis.

The Company has selected December 31 as its annual goodwill impairment testing date. Goodwill is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

2.14 Operating leases

Our operating leases relate to vessels, offices, cars and equipment under leasing agreements that do not meet the criteria to be classified as finance leases. We recognize on the balance sheet the right to use those assets and a corresponding liability in respect of all material lease contracts with a duration, or lease term, in excess of 12-months.

The discount rate used for calculating the cost of the operating leases is the incremental cost of borrowing.

For the Company's charter-in vessel contracts, a non-lease component, or service element has been determined which is reported under time charter rental expenses. G2 Ocean makes significant judgements and assumptions to separate the lease component from the non-lease

component of our chartered-in vessels. For purposes of determining the technical management service components of the charter-in vessel contracts, we obtain available historical market statistics for comparable vessels which consider market data based on type and size of vessels as well as age of the vessel.

The amortization of right of use assets relating to operating chartered-in vessels is presented under time charter rental expenses in the consolidated statement of income and the amortization of right of use assets relating to office and car leases is reported under selling, general & administrative expenses in the consolidated statement of income.

2.15 Fair value

The guidance for fair value measurements applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The same guidance requires that assets and liabilities carried at fair value should be classified and disclosed in one of three categories based on the inputs used to determine its fair value.

Fair values of derivatives are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding currency rates, credit risk, bunker prices and other factors. Changes in assumptions or in market conditions could significantly affect these estimates.

2.16 Derivatives

The Company recognizes derivatives as either assets or liabilities on the balance sheet and measures them at fair value. As described in Note 15, gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting.

Where derivative instruments entered into by the Company do not qualify for hedge accounting, the movement in their fair value is recorded under the caption of Other income and expenses in the Statement of Income.

2.17 Pension Plans

Obligations for contributions to defined contribution plans are recognized as an expense in the Statement of Income as incurred.

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior period. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

2.18 Income taxes

Income taxes are accounted for under the asset and liability method. Significant judgment is required in determining the Company's tax liabilities in the jurisdictions in which the Company operates. The Company's income tax liabilities are based on calculations and assumptions that are subject to examination by different tax authorities. The Company establishes accruals for certain tax contingencies and interest when, despite the belief that the Company's tax return positions are properly supported, the Company believes certain positions may be challenged and that the Company's positions may not be fully sustained. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes interest accrued related to unrecognized tax benefits in interest income / (expense).

Deferred income taxes are provided for the tax effect of temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets and deferred tax liabilities are adjusted to the extent necessary to reflect tax rates expected to be in effect when the temporary differences are reversed. Adjustments may be required to deferred tax assets and deferred tax liabilities due to changes in tax laws and audit adjustments by tax authorities. To the extent adjustments are required in any given period the adjustments would be included within the tax provision in the Statement of Income and/or Balance Sheet.

A valuation allowance against a deferred tax asset is established if, based on the weight of available evidence, management believes that it is more likely than not that the recorded deferred tax asset will not be realized in future periods.

Where items in Other Comprehensive Income have a tax effect, the tax effect is also taken to Other Comprehensive Income.

2.19 Dividends

The Company accounts for dividends to shareholders once the dividend has been formally declared. These amounts are charged as a deduction to retained earnings.

2.20 Adoption of new accounting principles with future effect

G2 Ocean has reviewed recent accounting pronouncements applicable to the consolidated financial statements for periods after December 31, 2023. There are no recent accounting pronouncements that are expected to be material for The Company.

Note 3 Total Revenues

All of G2 Ocean's revenues arise from international shipping. An analysis of revenue by origin of load port is as follows:

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
North America	141 618	203 934
South America	448 346	584 632
Europe	163 961	217 023
Africa	92 947	124 576
Australasia	92 402	97 510
Middle East and Asia	455 699	901 775
Total	1 394 972	2 129 450

Load ports in the following countries each constituted more than 5% of the total cargo revenues reported in 2023 (and 2022): Brazil 25.8% (2022: 22.1%), China 21.7% (2022: 27.5%), Canada 7.1% (2022: 5.2%) and Germany 5.1% (2022: 4.4%). Further, the countries contributing more than 5% in 2022 were: China, Brazil and Canada.

G2 Ocean's gross revenue has been disaggregated and presented in the table below:

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Revenue from contracts with customers	1 390 709	2 125 325
Other revenues	4 263	4 125
Total	1 394 972	2 129 450
<i>Revenue from contracts with customers disaggregated by type of contracts:</i>		
Charter of Affreightment contracts	830 153	1 083 738
Spot contracts	516 961	981 567
Time charter hire	43 594	60 020
Total	1 390 709	2 125 325

One customer in the year ended December 31, 2023, accounted for 10% or more of the Company's revenues (2022: one customer).

Note 4 Segment information

Up until June 2022, The Company had two operating segments, Open Hatch and Conventional Bulk which were managed separately with each segment representing a strategic business unit that operates in the shipping market. In June 2022, the Conventional Bulk segment were liquidated and after this date, The Company only have one operating segment, Open Hatch.

Pricing of services and transactions between businesses segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expenses and segment results include transactions between operating gross segments. These transactions are eliminated in the consolidation.

The Company provide segment data for the revenues and cost as the reliability measurement criteria cannot be met for other items.

For the period Jan 1 – Dec 31, 2022 (USD 1 000)	Open Hatch	Conventional Bulk	Eliminations	Total
Total revenues	2 087 014	42 436	-	2 129 450
Operating expenses				
Voyage related	845 649	2 599	-	848 248
Time charter rental	352 526	592	-	353 119
Depreciation and amortization	6 397	13	-	6 409
Selling, general & administrative	62 149	1 631	-	63 780
Income from operations before pool distribution	820 293	37 601	-	857 894
Pool distribution to Pool Participants	814 111	37 463	-	851 574
Income from operations	6 182	138	-	6 320
Non-operating income / (expenses)	(1 715)	(25)	-	(1 740)
Income before income taxes	4 467	113	-	4 580
Income tax expense	1 281	34	-	1 315
Net income	3 186	79	-	3 265

Note 5 Voyage Related Expenses

Voyage related expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 – Dec 31, 2023	Jan 1 - Dec 31, 2022
Bunker expenses	279 985	341 828
Cargo handling expenses	180 311	271 734
Port expenses	128 389	131 578
Insurance premiums and deductibles	4 573	2 421
Other voyage related expenses	63 439	100 687
Total	656 697	848 248

Note 6 Time Charter Rental Expenses

The time charter rental expenses consist of expenses for operating leases. Time charter is an arrangement for hire of a vessel. These arrangements vary in form and way of payment and period of hire may differ from time to time. The time charter rental expenses for the twelve months ending December 2023 were USD 142.2 million (2022: USD 353.1 million).

Note 7 Operating Leases

The Company currently has two categories of leases - chartered-in vessels and offices and car lease.

As of December 31, 2023, The Company had chartered-in 17 vessels (2022: 40 vessels) whereof 1 vessels (2022: 4 vessels) are leased for a minimum initial non-cancelable lease period in excess of 12 months. The latter are classified as operating leases in accordance with ASC 842.

Additionally, as of December 31, 2023 G2 Ocean had offices and other space leases in 13 different geographical locations (2022: 13 locations), whereof 9 offices and other space operating leases (2022: 7 offices and other space operating leases) had an initial duration above 12 months.

The Company's right of use assets for long-term operating leases were as follows:

As per Dec 31, 2023 (USD 1 000)	Vessels	Offices and cars	Total
Jan 1, 2023	20 745	4 247	24 993
Additions	-	81	81
Amortization	(19 331)	(1 629)	(20 960)
Foreign exchange revaluation	-	11	11
Dec 31, 2023	1 414	2 710	4 124

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
Balance at Jan 1, 2022 on adoption of ASC 842	10 751	3 644	14 395
Additions	27 893	2 101	29 994
Amortization	(17 899)	1 498	(19 397)
Dec 31, 2022	20 745	4 247	24 993

The Company's right of use assets for long-term operating leases were as follows:

As per Dec 31, 2023 (USD 1 000)	Vessels	Offices and cars	Total
Jan 1, 2023	21 155	4 357	25 512
Additions	-	81	81
Repayments	(19 700)	(1 521)	(21 221)
Foreign exchange translations	-	(47)	(47)
Des 31, 2023	1 455	2 870	4 325
Current portion	1 455	1 401	2 856
Non-current portion	-	1 469	1 469

As per Dec 31, 2022 (USD 1 000)	Vessels	Offices and cars	Total
Balance at Jan 1, 2022	10 751	3 644	14 395
Additions	27 893	2 330	30 223
Repayments	(17 489)	(1 363)	(20 094)
Foreign exchange translations	-	(456)	(456)
Dec 31, 2022	21 155	4 357	25 512
Current portion	19 769	1 684	21 453
Non-current portion	1 386	2 673	4 059

Future minimum lease payments in respect of operating leases as of December 31, 2023, are as follows:

As per Dec 31, 2023 (USD 1 000)	Vessels	Offices and cars	Total
2024	18 766	1 400	20 166
2025	-	1 060	1 060
2026	-	487	487
2027	-	194	194
2028	-	-	-
Thereafter	-	-	-
Total minimum lease payments	18 766	3 141	21 907
Less: Imputed interest	(12)	(271)	(283)
Present value of operating lease liabilities	18 754	2 870	21 624

The future minimum operating lease expense payments are based on the contractual cash outflows under non-cancelable contracts. The time charter rental expense recognition is based upon the straight-line basis.

As of December 31, 2023, the future rental payments include USD 18.8 million (2022: USD 77.6 million) in relation to time charter rental expenses for chartered-in vessels and USD 2.9 million (2022: USD 4.8 million) in relation to office rent and car lease costs.

Total expense for operating leases reflected as time charter rental expenses was USD 142.2 million in 2023 (2022: USD 353.1 million), which included USD 115.2 million (2022: USD 327.9 million) for short-term leases.

Total cash paid in respect of operating leases was USD 143.9 million in 2023 (2022: USD 354.1 million). The weighted average discount rate in relation to our operating leases was 4.9% for 2023 (2022: 4.8%). The weighted average lease term for vessels was 0.2 years and 2.3 years for offices and cars as of end 2023 (2022: 0.6 years for vessels and 3.3 years for offices and cars).

Note 8 Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of the following amounts:

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Staff expenses	44 415	49 777
Office expenses	2 732	2 703
IT	4 379	3 416
Professional fees	4 626	5 125
Travel & marketing	3 049	2 123
Net currency hedging related to selling, general and administrative expenses	672	637
Total	59 873	63 780

Note 9 Auditor's remuneration

The following auditor's remuneration is included in the selling, general and administrative expenses:

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Statutory audit	200	142
Tax advisory services	-	-
Other non-audit services	149	131
Total	349	273

Note 10 Related Party Transactions

In the normal course of the conduct of its business, the Company enters into a number of transactions with related parties. Related parties of the Company include G2 Ocean AS' owners, G2 Ocean Holding AS, Gearbulk Holding AG and Grieg Shipholding AS including subsidiaries and affiliates of Gearbulk Holding AG and Grieg Shipholding AS, affiliates of the Company, principal owners of the Company, including close family members and companies controlled by those owners, and management of the Company and companies in which the Company can significantly influence the operating and financial policies.

10.1 Gearbulk

During 2023 pool distribution related to Gearbulk vessels amounted to USD 342.9 million (2022: USD 558.1 million), of which USD 336.5 million (2022: USD 534.6 million) were related to the Open Hatch segment and USD 6.4 million (2022: USD 23.5 million) were related to the conventional Bulk segment.

As of December 31, 2023, 60 Open Hatch vessels (2022: 57) were operated in the G2 Ocean pool on behalf of Gearbulk at a variable rate per day. In addition, nil bulk vessel was commercially operated by G2 Ocean on a pay as you earn basis (2022: one bulk vessel).

The Company has an arrangement with Gearbulk for the provision of certain chartering, operation and support services. Costs recognized from Gearbulk in respect of these services for 2023 were USD 1.6 million (2022: USD 3.8 million). Revenues recognized from Gearbulk in respect of the services for 2023 were USD 2.7 million (2022: USD 2.7 million). In addition, G2 Ocean has recognized USD 12.1 million from Gearbulk and associated companies relating to TC hire (2022: USD 10.5 million).

10.2 Grieg

During 2023 Pool distribution related to Grieg vessels amounted to USD 177.1 million (2022: USD 293.4 million), of which USD 177.3 million (2022: USD 279.4 million) were related to the Open Hatch segment and USD (0.2) million (2022: USD 14.0 million) were related to the conventional Bulk segment.

As of December 31, 2023, 30 Open Hatch vessels (2022: 31) were operated in the G2 Ocean pool on behalf of Grieg at a variable rate per day.

The Company has an arrangement with Grieg for the provision of certain chartering, operation and support services. Costs recognized from Grieg in respect of these services for 2023 were USD 0.8 million (2022: USD 1.1 million). Revenues recognized from Grieg in respect of the services for 2023 were USD 1.0 million (2022: USD 1.7 million).

10.3 Advokatfirmaet Thommessen AS ("Thommessen")

A member of the Board of Directors of the Company is also a partner of the Norwegian law firm Thommessen. During 2023, the Company paid USD 46 388 (2022: USD 73 278) to Thommessen for services provided.

10.4 Related party balances

As at December 31, the following amounts are due from/to related parties and affiliates of the Company:

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Related parties receivables (current)		
Gearbulk Pool Ltd	183	1 835
Gearbulk Shipowning Ltd	662	4 691
Gearbulk Shipping AS	243	547
Gearbulk Terminais do Brasil Ltda	5	187
Gearbulk Norway AS	552	67
Gearbulk Shipping Singapore Pte Ltd.	15	15
Gearbulk and Ship Management & Transport Ltd	82	10
Grieg Shipping II AS	529	328
Grieg Star OH Pool AS	-	2 043
Grieg Maritime Group AS	-	7
Grieg International II AS	83	285
Grieg Star Bulk AS	346	-
Total	2 700	10 015

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Related parties payables (current)		
Gearbulk Pool Ltd	769	447
Gearbulk Norway AS	132	162
Gearbulk Holding AG	1 954	1 957
Gearbulk Management Switzerland AG	-	97
Gearbulk UK Ltd	8	3
Gearbulk Shipping AS	219	4
Gearbulk Maritima Ltda	41	155
Gearbulk Shipowning Ltd	5 205	-
Grieg Shipholding AS	1 263	1 356
Grieg Star Bulk AS	-	37
Gearbulk Terminais do Brasil Ltda	44	209
Grieg Shipping II AS	104	233
Grieg International II AS	-	27
Grieg Star OH Pool AS	589	-
Total	10 328	4 687

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Related party payables (non-current)		
Gearbulk Holding AG	-	1 950
Grieg Shipholding AS	-	1 050
Total	-	3 000

Related parties payables (current) above includes short term portion of the long term debt to related parties. Additional information is provided in section 10.5.

10.5 Long Term Debt

In May 2019, a long-term loan of an aggregate of USD 19.8 million was assumed from G2 Ocean Holding AS' owners Gearbulk and Grieg, replacing the seller credit issued in connection with the start-up of G2 Ocean in 2017. The long-term loan amortizing until 2024 has a coupon of 4.3% per year, payable bi-annually in arrears.

Aggregated amount of related party long term debt maturities as of December 31, 2023:

As per Dec 31, 2023 (USD 1 000)	Gearbulk Holding AG	Grieg Shipholding AS	Total
2024	1 950	1 050	3 000
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
Thereafter	-	-	-
Total	1 950	1 050	3 000

10.6 Other

Loans to directors from G2 Ocean as of December 31, 2023, amounted to nil (2022: nil). Loans to employees amounted to nil (2022: nil).

Note 11 Other Income and Expense

Other income and expense consist of the following amounts:

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Net foreign exchange loss / (gain)	2 606	187
Other financial expenses	1 232	1 013
Total	3 838	1 200

Note 12 Income Taxes

12.1 Income taxes

The Company has considered its uncertain tax positions and is not presently aware of any uncertain tax positions requiring material adjustment in the accounts. However, the Company has operations in a number of overseas jurisdictions, and these operations are required to comply with relevant local tax legislation, for example with respect to residency, transfer pricing and the application of indirect taxes. The Company seeks to ensure compliance with the relevant local tax legislation and takes professional advice as appropriate. The Company believes that the positions it takes meet "the more likely than not" criterion (required by relevant accounting guidance) to be sustained upon a future tax examination. However, in certain aspects there is a degree of inherent subjectivity in the assessment of the positions taken and there can be no assurance that the relevant local tax authority would agree with the Company's position, and as a result, material adjustments could arise in the future.

Income taxes recorded in the Consolidated Statement of Income:

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Current tax		
Norway	825	445
Overseas	905	818
	1 730	1 263
Deferred tax charge		
Norway	(65)	(48)
Overseas	62	100
	(3)	52
Total tax expense	1 727	1 315
Deferred tax included in Other Comprehensive Income		
Norway	1 394	(814)
Overseas	-	-
Total	3 121	501

The Company and its Norwegian subsidiaries pay income and capital tax in Norway. All other current tax represents income tax from certain of the Company's overseas subsidiaries.

At December 31, 2023, the Company has USD 0.0 million in tax losses carried forward (basis for deferred tax asset) in Norway (2022: USD 0.0 million). In overseas jurisdictions the tax loss carried forward amounts to USD 2.3 million (2022: USD 2.3 million). Deferred tax assets recognized in respect of these losses amount to USD 0.4 million (2022: USD 0.4 million).

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Temporary differences		
Goodwill	2 852	2 670
Provision	(1 033)	(872)
Receivables	(392)	(470)
Fixed assets	1 167	2 206
Pension	(2 590)	(2 690)
Derivatives	2 309	(4 015)
Tax losses carried forward	(2 375)	(2 346)
Tax losses carried forward not recognized	1 072	1 075
Basis for deferred tax liability / (deferred tax asset)	1 010	(4 442)
Deferred tax asset	827	1 198
(Deferred tax liability)	(837)	-

12.2 New tax legislation

From Jan 1, 2024, the OECD's tax initiatives BEPS 2.0 Pillar II, Global minimum tax rules ("GloBE") and withholding tax rules (Subject to tax-rule ("STTR")) are implemented in Norway, EU and many other jurisdictions. The GloBE rules are designed to ensure that large multinational enterprises pay a minimum level of tax (15%) on income arising in each jurisdiction where they operate. The Subject to tax-rule (STTR) re-instate a bilateral taxation right for certain income (excludes revenues from shipping) if it is taxed less than 9% in the recipient country.

The GloBE tax obligations is as a starting point imposed on the ultimate parent entity in the group. G2 Ocean's activity is above the revenue threshold of EUR 750 mill and therefore subject to the GloBE legislation. Temporarily safe harbour rules (3 years) allows the Top-Up tax to be reduced to zero if the turnover and income before income taxes are below a given threshold.

G2 Ocean is still assessing the impact of the GloBE rules. The temporarily safe harbour rules which allows the Top-Up tax to be set to zero based on the turnover and income before income taxes are below a given threshold are expected to be applied in all locations, except Norway and US. Given that G2 Ocean's historical effective tax rate in these jurisdictions (Norway and US) has been above the 15% global minimum tax level, it is not expected to increase the tax cost.

The new Subject to tax-rule (STTR) which re-instate a bilateral taxation right for certain income taxed less than 9% is deemed not relevant for G2 Ocean.

Note 13 Accumulated other comprehensive Income / (Loss)

Total Accumulated Other Comprehensive Income / (Loss) consists of the following:

(USD 1 000)	Accumulated Net Change in Fair Value of Cash Flow Hedges	Translation adjustments	Other	Total Accumulated Other Comprehensive Income / (Loss)
Balance as of Jan 1, 2023	(3 131)	(344)	17	(3 458)
Movement in the year	6 336	306	17	6 659
Income tax effect	(1 394)	-	-	(1 394)
Balance as of Dec 31, 2023	1 811	(38)	34	1 807
Balance as of Jan 1, 2022	(244)	(241)	54	(431)
Movement in the year	(3 701)	(103)	(37)	(3 841)
Income tax effect	814	-	-	814
Balance as of Dec 31, 2022	(3 131)	(344)	17	(3 458)

Note 14 Fair Value

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- I. Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of measurement date.
- II. Level 2: Significant other observable inputs other than Level 1 such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- III. Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value:

Derivatives

The fair value of the derivatives are based upon quotations obtained from third party banks or brokers, or valuation techniques, using observable market data as of the measurement date (Level 2). Our derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include forward rates, prices and indices to generate continuous yield or curves and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including market transactions and third-party pricing services.

Cash

The fair value of the cash are based upon the carrying value of cash, which are highly liquid and approximate fair value (Level 1).

Short-term debt

The carrying value of the short-term debt in the balance sheet approximates the fair value since it bears a variable interest rate (Level 2)

As of December 31, the aggregate fair value of the assets and liabilities measured at fair value was as follows:

As per Dec 31, 2023 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Cash	9 838	-	-	9 838
Other current assets				
Derivatives	-	4 115	-	4 115
Other non-current assets				
Derivatives	-	-	-	-
Financial liabilities				
Other current payables				
Short-term debt	-	34 113	-	34 113
Derivatives	-	1 893	-	1 893
Other non-current liabilities				
Derivatives	-	-	-	-

As per Dec 31, 2022 (USD 1 000)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets				
Cash	8 367	-	-	8 367
Other current assets				
Derivatives	-	1 980	-	1 980
Other non-current assets				
Derivatives	-	-	-	-
Financial liabilities				
Other current payables				
Short-term debt	20 202	-	-	20 202
Derivatives	-	5 995	-	5 995
Other non-current liabilities				
Derivatives	-	-	-	-

In 2023 the assessment method for the Short-term debt has been amended from Level 1 to Level 2. Except this amendment, there have been no transfers between different levels in the fair value hierarchy in 2023 and 2022.

As of December 31, 2023 and 2022, the aggregate carrying value, fair value and gain or loss was as follows:

As per Dec 31, 2023 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
Derivative instruments			
Foreign exchange forward contracts	2 291	2 291	2 291
Fuel future purchase contracts	(716)	(716)	(716)
Freight Forward Agreements	534	534	534
EU Allowances Forward Agreements	212	212	212

As per Dec 31, 2022 (USD 1 000)	Carrying Values (\$)	Fair Values (\$)	Gain / (Loss)
Derivative instruments			
Foreign exchange forward contracts	(2 032)	(2 032)	(2 032)
Fuel future purchase contracts	(1 667)	(1 667)	(1 667)
Freight Forward Agreements	(316)	(316)	(316)
EU Allowances Forward Agreements	-	-	-

As of December 31, 2023 and 2022 the derivative instruments as presented in the tables above qualifies for hedge accounting and the gain / (loss) are included in the Other Comprehensive Income / (Loss) in the consolidated statement of comprehensive income.

Note 15 Derivatives

All derivatives are recognized on the balance sheet at their fair value. On the date that the Company enters into a derivative contract, it designates the derivative as either:

- I. A hedge of the fair value of a recognized asset or liability (a “fair value” hedge);
- II. A hedge of (a) a forecasted transaction, (b) the variability of cash flows that are to be received or paid in connection with a recognized asset or liability or (c) an unrecognized firm commitment (a “cash flow” hedge);
- III. A foreign-currency fair-value or cash flow hedge (a “foreign currency” hedge);
- IV. A hedge of a net investment in a foreign operation; or
- V. An instrument that is held for trading or non-hedging purposes (a “trading” or “non-hedging” instrument).

The Company in general enters into forward foreign exchange contracts, fuel rate swap agreements and options and less frequently, derivatives such as forward freight agreements, freight options and fuel purchase options, to manage its exposure to fluctuations in currency rates, the market price of fuel, the market price of time charter freight rates and voyage charter freight rates. Certain forward foreign exchange contracts and fuel rate swap agreements are designated as cash flow hedges and where they meet the criteria for hedge accounting, each is accounted for accordingly as follows.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are reported in the Statement of Income. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash flow hedge, to the extent that the hedge is effective, are recorded in other comprehensive income, until earnings are affected by the variability of cash flows of the hedged transaction. Any hedge ineffectiveness (which represents the amount by which the changes in the fair value of the derivative exceed the variability in the cash flows of the forecasted transaction) is recorded in current-period earnings.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash flow, or foreign-currency hedges to (1) specific assets and liabilities on the balance sheet or (2) specific forecast or committed transactions. The Company also formally assesses (both at the hedge’s inception and on an ongoing basis) whether the derivatives that are used in hedging transactions have been highly effective in offsetting changes in cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not (or has ceased to be) highly effective as a hedge, the Company discontinues hedge accounting prospectively.

The Company discontinues hedge accounting prospectively when:

- I. it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item (including hedged items such as firm commitments or forecasted transactions),
- II. the derivative expires or is sold, terminated, or exercised,
- III. it is no longer probable that the forecasted transaction will occur,
- IV. a hedged firm commitment no longer meets the definition of a firm commitment, or
- V. the Company determines that designating the derivative as a hedging instrument is no longer appropriate.

The Company discontinues hedge accounting when it is no longer probable that the forecasted transaction or firm commitment will occur on the original date or within a two-month window either side of this date. If the hedge is de-designated, the gain or loss accumulated to date on the derivative remains in Accumulated other comprehensive income and is reclassified into the Statement of Income when the transaction affects earnings. If the hedge is not de-designated, the gain or loss accumulated to date on the derivative is recognized immediately in the Statement of Income. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings.

15.1 Foreign Currency Management

The Company maintains a foreign-currency risk-management strategy that uses derivative instruments to protect its interests from unanticipated fluctuations in earnings and cash flows that may arise from volatility in currency exchange rates. Movements in foreign-currency exchange rates pose a risk to the Company’s operations and competitive position, since changes in exchange rates may affect the profitability, cash flow, and business and or pricing strategies of competitors. These movements affect transactions that involve operating costs incurred in foreign currencies. The Company uses foreign currency forward exchange contracts to hedge these risks.

The notional amount of the foreign currency forward exchange contracts entered into during 2023 is USD 165.4 million (2022: USD 135.4 million).

As of December 31, 2023, the fair value of aggregate foreign currency forward exchange contracts held on the balance sheet was a net unrealized gain of USD 2.3 million (2022: net unrealized loss of USD 2.0 million), of which USD 2.9 million (2022: USD 1.1 million) was recorded within Other current assets, USD 0.7 million (2022: USD 3.1 million) within Other current payables and USD 0.1 million (2022: nil) within Other non current assets.

As of December 31, 2023, these contracts had maturities of up to 1.1 year and a notional principal amount of USD 133.9 million (2022: USD 116.4 million).

15.2 Fuel Cost Management

The Company maintains a fuel-cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in fuel prices. The Company enters into forward contracts and options relating to fuel. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2023.

As of December 31, 2023, the fair value of aggregate fuel rate swap agreements held on the balance sheet was a net unrealized loss of USD 0.7 million (2022: net unrealized loss of USD 1.6 million), of which USD 0.3 million (2022: USD 0.8 million) was recorded in Other current assets and USD 1.0 million (2022: USD 2.4 million) was recorded within Other current payables. As of December 31, 2023, these contracts had maturities of up to one year and a notional principal quantity of 54 500 metric tons (2022: 45 940 metric tons). The notional value of these contracts is USD 30.2 million (2022: USD 26.9 million).

15.3 Freight Cost Management

The Company maintains a freight cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in freight cost prices. The Company enters into freight forward agreements relating to freight cost. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2023.

As of December 31, 2023, the fair value of aggregate forward freight agreements held on the balance sheet was a net unrealized gain of USD 0.5 million (2022: 0.3 million), of which USD 0.6 million (2022: 0.1 million) was recorded in Other current assets and USD 0.1 million (2022: USD 0.4 million) was recorded within Other current payables. As of December 31, 2023, these contracts had maturities of up to one year and a notional principal quantity of 180 (2022: 315). The notional value of these contracts is USD 2.2 million (2022: 3.7 million).

15.4 Carbon Emission Allowances Management

The Company maintains a carbon emission allowances cost risk-management strategy that uses derivative instruments to minimize significant, unanticipated fluctuations in earnings that may arise from volatility in EU allowances cost prices. The Company enters into EU allowances forward agreements relating to carbon emission allowance cost. The Company has applied hedge accounting to these arrangements during the year ending December 31, 2023.

As of December 31, 2023, the fair value of aggregate EU allowances forward agreements held on the balance sheet was a net unrealized gain of USD 0.2 million (2022: nil), of which USD 0.3 million (2022: nil) was recorded in Other current assets and USD 0.1 million (2022: nil) was recorded within Other current payables. As of December 31, 2023, these contracts had maturities of up to one year and a notional principal quantity of 28 419 (2022: nil). The notional value of these contracts is USD 2.3 million (2022: nil).

15.5 Credit Risk

By using derivative financial instruments to hedge exposures to changes in exchange rates, fuel costs and freight cost, the Company exposes itself to credit risk. Credit risk is the risk that the counterparty might fail to fulfill its performance obligations under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Company, which creates repayment risk for the Company. When the fair value of a derivative contract is negative, the Company owes the counterparty and, therefore, does not assume repayment risk. The Company's hedging policy does not require collateral or other security supporting the financial instruments, however establishes maximum limits for each counterparty.

In the current economic environment, the Company is actively monitoring all of its material counterparty risks. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements.

15.6 Fair Values

The estimated fair values of derivatives used to hedge or modify the Company's risks will fluctuate over time. These fair values should not be viewed in isolation, but rather in relation to the fair values of the underlying hedged transactions and the overall reduction in the Company's exposure to adverse fluctuations in foreign exchange rates, fuel prices and freight rates.

The Company has deemed the fair value measurement for each asset or liability held at fair value to be level 2.

The following tables present the aggregate notional principal amounts, carrying values, fair values and maturities of the Company's financial instruments as of December 31, 2023 and as of December 31, 2022 (See notes 19, 23 and 31):

As per Dec 31, 2023 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
Derivative instruments				
Foreign exchange forward contracts	133 878	2 291	2 291	2024-2025
Fuel future purchase contracts	30 242	(716)	(716)	2024
Freight Forward Agreements	2 187	534	534	2024
EU Allowances Forward Agreements	2 293	212	212	2024

As per Dec 31, 2022 (USD 1 000)	Notional Principal Amounts (\$)	Carrying Values (\$)	Fair Values (\$)	Maturity
Derivative instruments				
Foreign exchange forward contracts	116 361	(2 032)	(2 032)	2023
Fuel future purchase contracts	26 920	(1 667)	(1 667)	2023
Freight Forward Agreements	3 726	(316)	(316)	2023
EU Allowances Forward Agreements	-	-	-	-

The carrying value of financial assets and liabilities approximates fair value. The fair value of the financial derivative instruments is the estimated amount, based upon quotations obtained from third party banks or brokers, or valuation techniques, which the Company would have received or would have had to pay if the financial instruments had been terminated or sold at the reporting date.

The following tables present maturities of notional principal amounts of derivative instruments held as of December 31, 2023 and as of December 31, 2022:

As per Dec 31, 2023 (USD 1 000)	EU Allowances Forward agreements (\$)	Freight Forward Agreements (\$)	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2024	2 293	2 187	130 826	30 242	54 500
2025	-	-	3 052	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	2 293	2 187	133 878	30 242	54 500

As per Dec 31, 2022 (USD 1 000)	EU Allowances Forward agreements (\$)	Freight Forward Agreements (\$)	Forward currency purchase (\$)	Fuel purchase contracts (\$)	Fuel purchase contracts (MT)
2023	-	3 726	116 361	26 920	45 940
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	-	3 726	116 361	26 920	45 940

Metric ton (MT)

Note 16 Goodwill

The chartering and operational activities were acquired from Gearbulk and Grieg on May 2, 2017 for a combined purchase price of USD 86.0 million. The fair value of the identified assets and liabilities in the transaction amounted to USD 68.1 million, resulting in a goodwill of USD 17.9 million.

The goodwill is allocated to the employees, corporate culture and synergies, such as optimization of fleet performance, vessel scheduling, cargo handling and cost efficiencies in the onshore organization. These can be realized in connection with the establishment of the Joint Venture and the acquisition of the subsidiaries and the Chartering and Operational activities, assets and liabilities.

As of December 31, 2023, there are no indicators of impairment and there is no accumulated impairment loss recognized.

(USD 1 000)	Total
Goodwill	
Historical cost Jan 1, 2023	17 733
Additions	-
Currency translation	25
Historical cost Dec 31, 2023	17 758
Impairment for the year	-
Accumulated impairment	-
Net carrying value Dec 31, 2023	17 758

(USD 1 000)	Total
Goodwill	
Historical cost Jan 1, 2022	17 772
Additions	-
Currency translation	(39)
Historical cost Dec 31, 2022	17 733
Impairment for the year	-
Accumulated impairment	-
Net carrying value Dec 31, 2022	17 733

Note 17 Property, Plant and Equipment

Property, plant and equipment consist of the following amounts:

(USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
Cost				
Balances as of Jan 1, 2023	52 722	1 242	2 515	56 479
Reclassification of assets	-	90	(356)	(266)
Additions	2 737	164	32	2 933
Disposal	-	(349)	(28)	(377)
Foreign exchange differences	76	(15)	120	181
Balances as of Dec 31, 2023	55 535	1 132	2 283	58 950
Depreciation and amortization				
Accumulated depreciation as of Jan 1, 2023	(28 540)	(883)	(2 153)	(31 576)
Reclassification of assets	-	(6)	310	304
Depreciations	(6 023)	(134)	(167)	(6 324)
Disposals	-	245	10	255
Foreign exchange differences	(41)	52	(82)	(71)
Accumulated depreciations as of Dec 31, 2023	(34 604)	(726)	(2 082)	(37 412)
Net carrying value Jan 1, 2023	24 182	359	362	24 903
Net carrying value Dec 31, 2023	20 931	406	201	21 538

(USD 1 000)	Machinery & Equipment	Cars, furniture & fixtures	IT Equipment & software	Total
Cost				
Balances as of Jan 1, 2022	46 884	1 301	2 485	50 670
Reclassification of assets	-	(8)	8	-
Additions	6 435	211	272	6 918
Disposal	(640)	(228)	(146)	(1 014)
Foreign exchange differences	43	(34)	(104)	(95)
Balances as of Dec 31, 2022	52 722	1 242	2 515	56 479
Depreciation and amortization				
Accumulated depreciation as of Jan 1, 2022	(22 851)	(982)	(2 233)	(26 066)
Reclassification of assets	-	-	-	-
Depreciations	(6 129)	(133)	(147)	(6 409)
Disposals	455	192	142	789
Foreign exchange differences	(15)	40	85	110
Accumulated depreciations as of Dec 31, 2022	(28 540)	(883)	(2 153)	(31 576)
Net carrying value Jan 1, 2022	24 033	319	252	24 604
Net carrying value Dec 31, 2022	24 182	359	362	24 903

17.1 Depreciation and amortization

The depreciation and amortization charge for 2023 was USD 6.3 million. In addition, there was a loss on disposal and scrapping of USD 0.1 million (2022: USD 6.4 million in addition to a loss on disposal and scrapping of USD 0.2 million).

17.2 Impairment

There was no impairment loss in 2023.

Note 18 Subsidiaries

As of December 31, 2023, the following subsidiaries are included in the consolidated accounts:

Company name	Country of registration	Ownership shares	Voting Shares
G2 Ocean Brazil Ltda	Brazil	100%	100%
G2 Ocean Ltd	Bermuda	100%	100%
G2 Ocean Ltd ROHQ	The Philippines	100%	100%
G2 Ocean US Inc.	United States	100%	100%
G2 Ocean Sweden AB	Sweden	100%	100%
G2 Ocean Shipping Canada Ltd	Canada	100%	100%
G2 Ocean Netherlands BV	The Netherlands	100%	100%
G2 Ocean Singapore Pte Ltd	Singapore	100%	100%
G2 Ocean Italy Srl	Italy	100%	100%
G2 Ocean Australia Pty Ltd	Australia	100%	100%
G2 Ocean Chile SpA	Chile	100%	100%
G2 Ocean South Africa Pte Ltd	South Africa	100%	100%
G2 Ocean (Shanghai) Company Limited	China	100%	100%

Note 19 Other current assets

Other current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Fair value of derivative instruments	14, 15	4 115	1 980
Value added taxes receivables		524	818
Other current assets		381	466
Total		5 020	3 264

Note 20 Inventories

Inventories consist of the following amounts:

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Bunkers	56 863	72 994
Total	56 863	72 994

There was no impairment of inventories in 2023.

Note 21 Trade Receivables

Trade receivables consists of the following amounts:

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Trade receivables	82 648	86 080
Loss provision	(357)	(469)
Total	82 291	85 611

All trade receivables and 100% of the loss provision is related to revenue from contract with customers.

As at December 31, the ageing analysis of trade receivables are as follows:

As per (USD 1 000)	Total	Current	1-30 days	31-60 days	61-90 days	> 91 days
2023	82 648	51 521	16 625	5 646	1 532	7 324
2022	86 080	60 567	18 696	2 396	1 116	3 077

Note 22 Contract assets and contract liabilities

For the period (USD 1 000)	Jan 1 - Dec 31, 2023	Jan 1 - Dec 31, 2022
Accrued voyage revenue	20 580	23 227
Contract assets	20 580	23 227
Deferred voyage revenue	60 040	78 541
Contract liabilities	60 040	78 541

22.1 Contract assets

Contract assets are recognized revenue for freight services partly satisfied from voyages that have commenced but are not completed and invoices have not been issued as per December 31. Contract assets are reclassified to receivables from contracts with customers once the freight service is being invoiced to the customer, normally at the latest within some weeks after the voyage is completed.

22.2 Contract liabilities

Contract liabilities are being recognized as revenue from contracts with customers within the completion of the voyage (at the latest a few months after the prepayment).

As per December 31, G2 Ocean has the following remaining performance obligations (amounts not disclosed):

- v) For voyages in progress, revenues related to the remaining freight services will be recognized as the voyage progresses. All voyages in progress will be completed within a few months.
- vi) In addition the Company has freight commitments related to contracts of affreightment entered into for future shipments.

Note 23 Other non-current assets

Other non-current assets consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Fair value of derivative instruments	14, 15	99	-
Deferred tax asset	12	827	1 198
Other non-current assets		376	130
Total		1 302	1 328

Note 24 Cash and restricted cash

As of December 31, 2023, and 2022, the following table provides a reconciliation of cash and restricted cash reported within the statement of financial positions that sum to the total of the same such amounts shown in the statement of cash flows.

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Cash	9 339	7 880
Short-term restricted cash	499	487
Long-term restricted cash	-	-
Total	9 838	8 367

Restricted cash consists of cash, which may only be used for certain purposes and is held under a contractual arrangement.

Note 25 Shares

As of December 31, 2023, and as of December 31, 2022, the authorized share capital of G2 Ocean AS comprises 84 360 shares of NOK 1 421 par, of which 84 360 are issued. No dividend were declared or paid during 2023 (2022: nil).

Note 26 Shareholders

As of December 31, 2023, the Company is a fully owned subsidiary of G2 Ocean Holding AS.

Shareholder	Shares of common stock	
	Amount	Shares
G2 Ocean Holding AS	84 360	100%
Total issued common shares	84 360	100%

G2 Ocean's parent company, G2 Ocean Holding AS is jointly controlled by its two shareholders, Gearbulk Holding AG and Grieg Shipholding AS. The table below shows the distribution of ownership in G2 Ocean Holding AS, as of December 31, 2023, between its two shareholders, both in terms of number of shares of common stock and percentages.

Shareholder	Shares of common stock	
	Amount	Shares
Gearbulk Holding AG	19 500	65%
Grieg Shipholding AS	10 500	35%
Total issued common shares	30 000	100%

Note 27 Pension benefits and liabilities

The Company funds pension for certain employees under either a defined contribution scheme or a defined benefit plan undertaken with various pension companies under several different plans.

The Company's Norwegian subsidiaries are bound to have a mandatory occupational pension scheme pursuant to the Norwegian law of Occupational pension scheme. The Company's pension scheme meets the requirement of this Act.

27.1 Defined contribution plans

The Company funds pensions for certain employees under defined contribution personal pension policies undertaken with various pension companies under several different plans. Contributions are generally based on a percentage of gross salaries. Other subsidiaries also make contributions into various defined contribution pension arrangements including state schemes where relevant. Costs in respect of these pension arrangements for the period ending December 31, 2023 were USD 2.6 million (2022: USD 2.3 million).

27.2 Defined benefit plans

The Company has also defined benefit schemes and early retirement schemes. The defined benefit schemes are for certain employees with salaries above a specified threshold (12G). This pension gives the right to future defined benefits and the obligations are primarily dependent on years of service, salary at retirement and level of national insurance benefits. The scheme covers 1 employee.

The early retirement scheme covers employees who were transferred from Grieg to G2 Ocean AS on May 2, 2017. The early retirement scheme pays 70% of salary at the time reaching the age of 65 until 67 years. This scheme is not funded but is financed through operations. The pension scheme covered 7 employees as of December 31, 2023, (2022: 13 employees).

The net periodic pension cost for defined benefit plans for the year December 31, 2023 were USD 0.1 million (2022: USD 0.1 million). The total pension liabilities as of December 31, 2023 were USD 2.5 million (2022: USD 2.7 million).

Note 28 Other non-current liabilities

Other non-current liabilities consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Deferred tax liability	12	837	-
Pension obligation	27	2 480	2 754
Other long term liabilities		311	282
Total		3 628	3 036

Note 29 Short-Term Debt

As at December 31, 2023 the Company had a revolving credit facility of USD 50 million (2022: USD 50.0 million) whereof USD 34.1 million (2022: USD 20.2 million) had been drawn. The revolving credit facility is secured by a factoring pledge in the amount of USD 55.0 million of the outstanding accounts receivables with the exclusion of accounts receivables relating to certain specific customers. The aggregate carrying value of the pledged accounts receivable as per December 31, 2023, was USD 76.8 million (2022: USD 87.0 million). In addition, the revolving credit facility is secured by a guarantee from its parent company G2 Ocean Holding AS of USD 50 million (2022: USD 50.0 million).

As of December 31, 2023, the revolving credit facility agreement contain a borrowing base clause, which require a prepayment of a portion of the outstanding borrowings should the drawn amount under the revolving credit facility exceed 70% of the value of the pledged accounts receivable. Further, the revolving credit facility includes a clean down clause which require the usage of the facility to be below a set threshold for three consecutive days during any given six months periods. Failure to comply with any of the covenants in the loan agreements could result in a default.

As of December 31, 2023 and December 31, 2022, G2 Ocean was compliant with its covenants.

Note 30 Accrued liabilities

Accrued liabilities consist of the following amounts:

As per (USD 1 000)	Dec 31, 2023	Dec 31, 2022
Accrued voyage related expenses	42 003	48 439
Accrued staff expenses	8 671	11 923
Accrued other expenses	2 044	1 611
Total	52 718	61 973

Note 31 Other current payables

Other current payables consist of the following amounts:

As per (USD 1 000)	Note	Dec 31, 2023	Dec 31, 2022
Fair value of derivative instruments	14, 15	1 893	5 995
Taxes payable	12	1 332	651
Payroll tax		881	715
Provisions for deductibles on cargo related insurance claims		1 645	1 596
Other payables		114	947
Total		5 865	9 904

Note 32 Commitments and Contingencies

32.1 Contracts of Affreightment

The Company enters into contracts of affreightment, committing the Company to provide transportation services covering medium and long-term periods. To meet its existing and anticipated commitments the Company also charters in vessels for various term periods of up to 24-26 months.

32.2 Insurance

The Company maintains protection and indemnity ("P&I") jointly with Owners and charterers liability insurance coverage for its shipping activities, which include the legal liability and other related expenses of injury or death of crew, passengers and other third-parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs. The Company's P&I insurance is arranged through three mutual protection and indemnity associations ("P&I Clubs") of which two are in Norway and one is in the United Kingdom. As a member of a P&I Club, the Company is subject to calls payable to the association based on the Company's claims record as well as the claims record of all other members of the association. The P&I Clubs operate a policy of reinsurance on certain insurance risks.

While liabilities to third-parties are generally covered by P&I insurance, coverage ordinarily available for damage arising out of oil pollution is currently limited to USD 1 billion per incident per vessel for oil pollution damage, which covers response costs and third party claims as well as fines. The vessels operated by the Company do not transport crude oil or its products, but the vessels do carry significant quantities of diesel oil and other heavy oil used for fuel, which if spilled would cause pollution. Likewise, vessels commercially operated by the Company could be involved in a collision with a tanker vessel causing a spill of the tanker's cargo for which the Company could be liable.

G2 Ocean is a defendant in several lawsuits for damages and arbitration proceedings in foreign jurisdictions arising principally from contractual disputes, personal injury and property casualty claims. The Company believes that the resolution of such claims will not have a material adverse effect on the financial position, financial results or liquidity of the Company. As of December 31, 2023, and to the best of our knowledge to date, the Company does not have major claims pending under its liability insurance coverage which can adversely affect the financial position, financial results or liquidity.

The Company believes that its current insurance coverage provides adequate protection against the accident related risks involved in the conduct of its business and that it maintains appropriate levels of environmental damage and pollution insurance coverage, consistent with standard industry practice. However, there is no assurance that all risks are adequately insured against, that any particular claims will be paid or that the Company will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

32.3 Environmental

The Company is subject to the laws of various jurisdictions and international conventions regarding the discharge of materials into the environment.

Many countries have ratified and follow the liability scheme adopted by the International Maritime Organization and set out in the International Convention on Civil Liability for Oil Pollution Damage 1969 ("CLC"), Bunker Oil Pollution Damage 2001 ("BCLC") and MARPOL. A 1992 Protocol to the CLC ("CLC92"), and a Supplementary Protocol, ("CLC2003"), have increased the liability limits of the CLC in several signatory countries. In addition, with effect from June 8, 2015, the limit of liability under the BCLC was increased by approximately 50%. The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution by vessels from operational or accidental causes.

In jurisdictions where the CLC, CLC92, BCLC2001 or CLC2003 have not been adopted or do not apply for vessels not carrying oil in bulk as cargo or as bunkers, various legislative schemes or common law govern, and liabilities are imposed on the basis of fault or in a manner similar to the CLC, CLC92, BCLC2001 or CLC2003. Compliance is arranged via the vessel's P&I Club.

The Ballast Water Management Convention (BWM Convention) a treaty adopted by the International Maritime Organization (IMO) in order to help prevent the spread of potentially harmful aquatic organisms and pathogens in ships' ballast water. From September 8, 2017, ships must manage their ballast water so that aquatic organisms and pathogens are removed or rendered harmless before the ballast water is released into a new location.

The Hong Kong International Convention for the Safe and environmentally Sound Recycling of Ships (the Hong Kong Convention), was adopted in 2009, but is not yet enforced. The Convention is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risks to human health, safety and to the environment.

The European Union (EU) Ship Recycling Regulation being largely based on the Hong Kong Convention, entered into force December 30, 2013. The regulation aims to prevent, reduce and minimize accidents, injuries and other negative effects on human health and the environment related to the recycling of ships flying the flag of European Union countries.

EU Monitoring, Reporting and Verification Regulation (MRV Regulation) on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, entered into force on July 1, 2015.

The International Maritime Organization (IMO) adopted a mandatory Fuel Oil Data Collection System (DCS) for international shipping, requiring ships to start collecting and reporting data to an IMO database from 2019.

For the BWM Convention, Hong Kong International Convention, EU) Ship Recycling Regulation, MRV Regulation and the Fuel Oil Data Collection System it is the vessel Manager's who have the formal responsibility to follow all above mentioned regulations are followed, and make sure the vessels are certified as required.

Further, the United States Oil Pollution Act of 1990 ("OPA '90"), states that any Company which is an operator of a vessel could be exposed to substantial strict liability, and in some cases unlimited liability, for removal costs and damages arising from a spill caused by one of its vessels into any of the waters of such jurisdiction (including, for example, US waters). Such a claim against the Company would enable claimants in certain jurisdictions to seize the assets of the operating Company located in that jurisdiction. At the time of a final judgment against the operating Company, such Company's assets in that jurisdiction, as well as in various other jurisdictions, could be exposed to seizure and sale in satisfaction of such judgment. The maximum amount of protection and indemnity ("P&I") coverage ordinarily available in the market against some of these environmental risks is USD 1 billion per incident per vessel. While the Company maintains such P&I coverage, there can be no assurance that such coverage would be sufficient to cover the costs of damages suffered by the Company.

OPA '90 expressly provides that individual states in the US are entitled to enforce their own pollution liability laws, even if inconsistent with or imposing greater liability than OPA '90. There is no uniform liability scheme among the states. Some states have OPA '90-like schemes for limiting liability to various amounts and some rely on fault-based remedies under common law, while others impose strict and unlimited liability on an owner or operator. Some states have also established their own requirements for financial responsibility. From January 1, 2021, the new law imposing increased penalties and fines was effective in California for ship sourced oil pollution damage in Californian State waters. The Energy Efficiency eXisting ship Index ("EEXI") is a measure introduced by the IMO to reduce the greenhouse gas emissions of ships. The

EEXI is a measure related to the technical design of a ship. Ships must attain EEXI approval once in a lifetime, by the first periodical survey in 2023 at the latest.

The Carbon Intensity Indicator ("CII") is a measure of how efficiently a ship transports goods and is given in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The ship is then given an annual rating ranging from A to E, whereby the rating thresholds will become increasingly stringent towards 2030. The yearly CII is calculated based on reported IMO DCS data and the ship is given a rating from A to E. The CII requirements will take effect from 2023, the first rating will be published in 2024.

From January 1, 2024, the European Union Emissions Trading System (EU ETS) was extended to shipping. The EU ETS is an emissions cap-and-trade system that aims to reduce greenhouse gas (GHG) emissions by setting a limit, or cap, on GHG emissions for certain sectors of the economy. Each year, a limited number of EU Allowances (EUAs) is made available for trading in the market, and this is reduced yearly in order for the EU to meet its target of a 55% reduction in GHG emissions by 2030 relative to 1990, and net zero by 2050. Each EUA gives companies a right to emit GHG emissions equivalent to the global warming potential of one tonne of CO₂ equivalent. The EU ETS will initially cover CO₂ emissions and be widened to include methane and nitrous oxide from 2026. The EU ETS directive will be applicable to G2 Ocean from 1. January 2024 for vessels trading in the EU, with a requirement to surrender EUAs for a portion of the emissions during an initial phase-in period; 40% in 2024, 70% in 2025 and 100% in 2026.

From 2025, for vessels trading in the EU, the yearly average GHG intensity of energy used on board, measured as GHG emissions per energy unit, needs to be below a required level under the FuelEU Maritime regulation. The GHG emissions are calculated in a well-to-wake perspective, including emissions related to extraction, cultivation, production and transportation of the fuel, in addition to emissions from energy used on board the ship. In case the GHG emissions per energy unit is above the required level calculated on a pool of vessel basis, there is a set monetary penalty for the portion exceeding the limit.

The Company has been able, and believes that it will continue to be able, to comply with applicable state laws and regulations which are material to the conduct of its operations.

32.4 Freight taxes and other indirect taxes

The Company derives income from trade in numerous international jurisdictions, and this income may be subject to freight taxes or other indirect taxes. Where appropriate the Company recognizes income, expenses, assets or liabilities in respect of freight taxes or other indirect taxes in the financial statements. The Company takes legal and professional advice in seeking to ensure it is compliant with the tax legislation in the jurisdictions in which it operates. However, the operation of freight taxes and other indirect taxes within the context of international transportation is complex and continually evolving particularly in emerging markets. The Company takes various measures to address any potential exposure to freight taxes or other indirect taxes, including through its standard contractual terms of business. However, there can be no absolute assurance that these measures will fully protect the Company from potential exposure to such taxes or that the relevant tax authorities will agree with the tax positions the Company has taken and as such material adjustments may be required in the future.

Note 33 Events Subsequent to the Balance sheet date

Subsequent events have been reviewed from period end to issuance of the consolidated financial statement on March 12, 2024, and there are no material events.



Report of Independent Auditors

To the Board of Directors and Shareholders of G2 Ocean AS

We have audited the accompanying consolidated financial statements of G2 Ocean AS and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statement of income, comprehensive income, changes in shareholder's equity and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of G2 Ocean AS and its subsidiaries as of December 31, 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers AS
Bergen, Norway
March 12, 2024



Report of Independent Auditors

To the Board of Directors and Shareholders of G2 Ocean AS.

Opinion

We have audited the accompanying consolidated financial statements of G2 Ocean AS and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of latest date, December 31, 2023 and earliest year, 2022, and the related consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholder's equity and consolidated statement of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of latest date, December 31, 2023 and earliest year, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental information in chapters General, Environment, Social, Governance and Appendix is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


PricewaterhouseCoopers
 Bergen, Norway
 March 12, 2024



Annual Report
2023

Appendix

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Kraft Liner Board discharge operation.
Photo: G2 Ocean



Report details

Reporting frequency

G2 Ocean reports on its sustainability and financial performance annually to ensure transparency and accountability of its sustainability performance and impacts – whether positive or negative – and allow stakeholders to follow and compare yearly progress. G2 Ocean's Report Archive, including this report, which was published on 14 March 2024, can be found on our website www.g2ocean.com.

What's new in this year's report

In comparison to the 2022 Annual Report, we have implemented several noteworthy updates. Firstly, to enhance the clarity and structure of the report, we have introduced a new chapter structure that categorises material topics into environmental, social, or governance chapters based on their relevance. Additionally, we have included comprehensive information about our Decarbonisation Roadmap, highlighting key levers and their impact on the carbon intensity of our fleet.

Moreover, we have renamed our material topic 'Supplier Social Assessment' to 'Sustainable Supply Chain' to better align with our ongoing efforts in that area. This change reflects our commitment to sustainability throughout our supply chain.

Lastly, we have incorporated a dedicated section on the dry bulk market to provide readers with valuable insights into the market's developments and its implications on G2 Ocean. This addition aims to enhance the reader's understanding of our industry and its impacts on our operations.

Restatements

The report includes various restatements or revisions compared to last year's report related to changes to methodologies and updated data. Explanations for these changes are further described below. To learn more about the respective calculation methods, please refer to page 119 of the Appendix.

Scope 1, Biogenic emissions:

We have made changes to our calculation method to obtain CO₂ emission data. In 2022, we only calculated CO₂ emissions. This year, on top of CO₂ emissions, we have included emission factors for CH₄ and N₂O to get CO₂e emission. To compare 2022 and 2023 figures, we have recalculated the 2022 data. As a result, 2022 bio-genic emission is now 1 077.01 CO₂e (mt), which is a very minimal increase from the previous reported 2022 figure 1 077 CO₂ (mt).

Scope 1, Other Scope 1 emissions:

We have updated our calculation method for our scope 1 emissions associated with natural gas consumption at our Rotterdam workshop. In 2022, we used Statistics Norway's emission factor of 1.99 tonne CO₂ per 1 000 m³. However, we have now switched to DEFRA 2023

conversion method to ensure that we include CO₂e emission as well. As a result, the new CO₂e emission factor for per cubic meter gas is 2.03 kg. The 2022 natural gas consumption has been recalculated following this method, increasing the figure from 6.73 CO₂e (mt), which was reported in the 2022 Annual Report, to 6.90 CO₂e (mt).

Scope 3, category 6. Business Travel:

We have made a change to our calculation methodology for emissions from business air travels. We have transitioned from an activity-based method to a spend-based approach. The reason for this change is that we discovered that many air tickets are booked outside of G2 Ocean's travel provider, which caused us to miss capturing emissions from those flights. By using a spend-based method, we aim to ensure greater accuracy in our reporting. By using this new method, we have recalculated the 2022 Scope 3 emissions from business air travels. The previously reported figure in 2022 was 413.6 CO₂ (t) and the new is 921.8 CO₂ (t).

Other vessel emissions:

We have changed the reporting methodology for Nitrogen emissions to ensure greater data accuracy. The BIMCO Shipping KPI's calculation methodology used in the past only considered the NOx factor based on the main engine and auxiliary engines, excluding the NOx factor from boilers. To ensure accurate calculation of NOx emissions in Scope 1, we have decided to include fuel consumption from boilers in the calculation. This will provide an accurate result. Due to the change in the NOx emission factor for auxiliary engines from 70 to 50 kg, the reported reported NOx emission figure for 2022 has changed from 63 441 (mt) to 59 793 (mt).

Workers who are not employees

Upon evaluation of the GRI category "workers who are not employees", stevedores contracted by G2 Ocean have been reclassified to the GRI category "Workers who are not employees and whose work and workplace are not controlled by the organisation, but the organization's operations, products, services are directly linked to significant occupational health and safety impacts on those workers by its business relationships". This is the appropriate category for this working group as their work and workplace are not controlled by G2 Ocean. Due to this change in categorisation, G2 Ocean is no longer reporting on the stevedore injury rate for fatalities and various categories of injuries, as defined in GRI 403-9 b. However, we are monitoring and reporting on the number of fatalities, high-consequence injuries, and recordable injuries among stevedores as these are strategic important KPI's for the company.

Input data

The information and data related to our sustainability reporting are extracted from our business support systems, except for those otherwise stated.

The input data in the climate accounting report is based on consumption data from internal and external sources, which are converted into tonnes of CO₂-equivalents. The Climate Accounts are based on the international standard 'A Corporate Accounting and Reporting Standard', developed by the Greenhouse Gas Protocol Initiative (GHG Protocol), which is the most widely used and recognised international standard for measuring greenhouse gas emissions.

Assurance and audit

At G2 Ocean, we strive to achieve data quality and we continuously work to improve our internal reporting and assurance processes. Examples of our internal assurance mechanisms are independent internal audits and verifications, frequent reviews of the data at the relevant business area and leadership level, and annual review processes.

The sustainability reporting of this document (chapters 'General', 'Social', 'Environment', and 'Governance') is prepared in accordance with the Global Reporting Initiative's (GRI) Standards and is assured by a third party. The information that has been subject to external assurance is identified in the reporting (GRI) Index and have all obtained the Limited Assurance Level. Please refer to pages 126 and 127 for the Independent Auditor's Assurance report.

The Financial Accounts have been audited by a third party. Please refer to pages 106 and 107 for the Report of Independent Auditors related to the Financial Statements.

The G2 Ocean Annual General Meeting has given their approval for the auditor after considering them as part of our vendor process.

More information

For information about this report, please contact: Sigrid Bakken, ESG and Communications Director at sigrid.bakken@g2ocean.com



Global Reporting Initiative (GRI)

Background

G2 Ocean uses the GRI Standards for voluntary reporting of sustainable development. It is one of the most well-known standards for ESG reporting and comprises economic, environmental, and social dimensions relating to an enterprise's activities, products, and services.

GRI Standards, both general and specific, contain reporting requirements. The general standards apply to all reporting organisations. The topic specific standard is selected according to the materiality principle which states that the reporting company should report on topics that reflect the organisation's significant economic, environmental, and social impacts or substantively influence the assessments and decisions of stakeholders. In the 2023 Annual Report, G2 Ocean has answered each of the requirements for the required general and materiality

standards. Only in specific cases, if certain required information has not been possible to report or disclose, accepted reasons for omission have been applied.

The GRI index listed below, includes the full definition of each GRI disclosure, references to specific sections in this report containing the disclosed information, as well as an overview of omissions and reason for omissions.

G2 Ocean has used the GRI framework as a basis for its sustainability reporting since 2019.



Star Livorno sailing into the sunset. Photo: Shawntel Aguijar



GRI Index

Note: In the 'Assured by a Third Party' table, we provide information about the audit conducted on G2 Ocean's sustainability reporting. The "A" assurance confirms that the disclosures are reported in accordance with the GRI Standards (2021). The "B" assurance ensures that the quantitative sustainability disclosures, referenced in the GRI Index, are calculated, estimated, and reported based on the criteria defined in GRI or the GRI index. You can find more details in the Independent Auditor's Assurance Report on pages 126 to 127.

GENERAL DISCLOSURES

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
The organisation and its reporting practices							
2-1	Organizational details	Chapter General; About this report, Chapter General; Our business and context. Chapter Appendix; Subsidiaries and offices.		No			A
2-2	Entities included in the organization's sustainability reporting	Chapter General; About this report. Chapter Appendix; Subsidiaries and offices.		No			A
2-3	Reporting period, frequency and contact point	Chapter General; About this report. Chapter Appendix; Report details.		No			A
2-4	Restatements of information	Chapter Appendix; Report details.		No			A
2-5	External assurance	Chapter General; About this report. Chapter Appendix; Report details. Chapter Appendix; Independent Auditor's Assurance Report.		No			A
Activity and Workers							
2-6	Activities, value chain and other business relationships	Chapter General; Our business and context.	2-6 c: G2 Ocean does not have "business partners" as per the GRI definition. 2-6 d: There were no significant changes to our operations compared to previous reporting period.	No			A
2-7	Employees	Chapter Social; Diversity Equity and Inclusion; Our Performance. Chapter Appendix; Reporting methodology and boundaries.	2-7 b. iii: G2 Ocean's workforce does not consist of non-guaranteed hours employees.	No			A
2-8	Workers who are not employees	Chapter Social; Diversity Equity and Inclusion; Our Performance. Chapter Appendix; Report Details. Chapter Appendix; Reporting methodology and boundaries.	We define workers who are not employees as 'Consultants'.	No			A
Governance							
2-9	Governance structure and composition	Chapter General; Strategy, Stakeholders and Governance; Governance. Chapter Appendix; G2 Ocean Board of Directors	2-9 c, vi: No members of the G2 Ocean Board are from under-represented social groups, as defined by GRI	Yes	2-9b: Committees of the highest governance body	Not applicable: There are no committees of G2 Ocean's highest governance body.	A
2-10	Nomination and selection of the highest governance body	Chapter Appendix; G2 Ocean Board of Directors.		No			A
2-11	Chair of the highest governance body	Chapter General; Strategy, Stakeholders and Governance; Governance. Chapter Appendix; G2 Ocean Board of Directors.		No			A
2-12	Role of the highest governance body in overseeing the management of impacts	Chapter General; Strategy, Stakeholders and Governance; Governance.		No			A
2-13	Delegation of responsibility for managing impacts	Chapter General; Strategy, Stakeholders and Governance; Governance.		No			A
2-14	Role of the highest governance body in sustainability reporting	Chapter General; About this report. Chapter General; Strategy, Stakeholders and Governance; Material Topics, Governance. Chapter Appendix; G2 Ocean Board of Directors.		No			A
2-15	Conflict of interest	Chapter Appendix; G2 Ocean Board of Directors.		No			A
2-16	Communication of critical concerns	Chapter Appendix; G2 Ocean Board of Directors.		No			A
2-17	Collective knowledge of the highest governance body	Chapter General; Strategy, Stakeholders and Governance; Governance. Chapter Appendix; G2 Ocean Board of Directors.		No			A

Appendix

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
2-18	Evaluation of the performance of the highest governance body	Chapter Appendix; G2 Ocean Board of Directors.		No			A
2-19	Remuneration policies	Chapter Appendix; G2 Ocean Board of Directors.	The remuneration policy for the Leadership team and Board of Directors is not specifically related to ESG performance.	No			A
2-20	Process to determine remuneration	Chapter Appendix; G2 Ocean Board of Directors.	2-20 a iii: G2 Ocean does not engage remuneration consultants in determining remuneration.	Yes	2-20 a i	Not applicable: Neither independent highest governance body members (Board) nor an independent remuneration committee oversees the process for determining remuneration. G2 Ocean does not have sub committees of the Board.	A
2-21	Annual total compensation ratio	Chapter Appendix; G2 Ocean Board of Directors.		No			A

Strategy, policies and practices

2-22	Statement on sustainable development strategy	Chapter General; Letter from the CEO.		No			A
2-23	Policy commitments	Chapter General; Strategy, Stakeholders and Governance; Strategy, Chapter General; Strategy, Stakeholders and Governance; Governance. Chapter Social; Health and Safety; What we do. Chapter Governance; Sustainable Supply Chain; Our Impacts, risks, and opportunities.		No			A
2-24	Embedding policy commitments	Chapter General; Strategy, Stakeholders and Governance; Governance.		No			A
2-25	Process to remediate negative impacts	Chapter General; Strategy, Stakeholders and Governance; Governance.		No			A
2-26	Mechanisms for seeking advice and raising concerns	Chapter General; Strategy, Stakeholders and Governance; Governance.		No			A
2-27	Compliance with laws and regulations	Chapter General; Strategy, Stakeholders and Governance; Governance.		No			A
2-28	Membership Associations		G2 Ocean is a member of several organisations but does not have a 'significant role' as defined by GRI.	No			A

Stakeholder engagement

2-29	Approach to stakeholder engagement	Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
2-30	Collective bargaining agreements	Chapter Social; Diversity Equity and Inclusion; What we do		No			A

GRI 3 MATERIAL TOPICS

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
The organisation and its reporting practices							
3-1	Process to determine material topics	Chapter General; Strategy, Stakeholders and Governance; Material Topics.		No			A
3-2	List of material topics	Chapter General; Strategy, Stakeholders and Governance; Material Topics. Chapter General; Strategy, Stakeholders and Governance; Governance. Chapter Appendix; Report details. Chapter Appendix; United Nations Sustainable Development Goals.		No			A

SPECIFIC STANDARD DISCLOSURES

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
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G2 Ocean Material Topic: Emissions

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Emissions. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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GRI 305: Emissions

305-1	Direct (Scope 1) GHG Emissions	Chapter Emissions; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
305-2	Energy indirect (Scope 2) GHG Emissions	Chapter Emissions; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
305-3	Other indirect (Scope 3) GHG Emissions	Chapter Emissions; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
305-4	GHG emissions intensity	Chapter Emissions; What we do. Chapter Emissions; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
305-5	Reduction of GHG emissions	Chapter Emissions; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions	Chapter Emissions; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B

G2 Ocean Material Topic: Health and Safety

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Social; Health and Safety. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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GRI 403: Occupational health and safety

403-1	Occupational health and safety management system	Chapter Social; Health and Safety; What we do. Chapter Appendix; Reporting methodology and boundaries.	We define workers who are not employees as 'Consultants'.	No			A
403-2	Hazard identification, risk assessment, and incident investigation	Chapter General; Strategy, Stakeholders and Governance; Governance. Chapter Social; Health and Safety; What we do. Chapter Appendix; Reporting methodology and boundaries.		No			A
403-3	Occupational health services	Chapter Social; Health and Safety; What we do.		No			A
403-4	Worker participation, consultation, and communication on occupational health and safety	Chapter Social; Health and Safety; What we do.		No			A
403-5	Worker training on occupational health and safety	Chapter Social; Health and Safety; What we do.		No			A
403-6	Promotion of worker health	Chapter Social; Health and Safety; What we do.		No			A
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter Social; Health and Safety; Our Impacts, risks and opportunities		No			A
403-8	Workers covered by an occupational health and safety management system	Chapter Social; Health and Safety; What we do.	We define workers who are not employees as 'Consultants'.	No			A, B

Appendix

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
403-9	Work-related injuries	Chapter Social; Health and Safety; Our Impacts. Chapter Social; Health and Safety; Risks and opportunities Chapter Social; Health and Safety;What we do Chapter Social; Health and Safety; Our Performance. Chapter Appendix; Reporting methodology and boundaries.	We define workers who are not employees as 'Consultants'.	No			A, B
G2 Ocean own disclosure	Number of Proactive Safety Reports	Chapter Social; Health and Safety; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A
G2 Ocean own disclosure	Work-related injuries among stevedoring companies when engaged by G2 Ocean	Chapter Social; Health and Safety; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B

G2 Ocean Material Topic: Training and Education

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Social; Training and Education. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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GRI 404: Training and Education

404-1	Average hours of training per year per employee	Chapter Social; Training and Education; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		Yes	404-1 i. and ii: Average hours of training per year per employee by gender and employee category	We were unable to obtain the data using current reporting mechanisms. We aim to correct this in 2024, by implementing new procedures.	A, B
404-2	Programs for upgrading employee skills and transition assistance programs	Chapter Social; Training and Education; What we do. Chapter Social; Training and Education; Our Performance.		No			A
404-3	Percentage of employees receiving regular Performance and career development reviews	Chapter Social; Training and Education; What we do. Chapter Social; Training and Education; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Percentage of employees participating in the employee engagement survey and key areas of success and improvement related to the survey results.	Chapter Social; Training and Education; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A

G2 Ocean Material Topic: Diversity, Equity and Inclusion

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Social; Diversity Equity and Inclusion. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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GRI 405: Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	Chapter Social; Diversity Equity and Inclusion; Our Performance.		No			A, B
405-2	Ratio of basic salary and remuneration of women to men.	Chapter Social; Diversity Equity and Inclusion; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Employees by primary citizenship.	Chapter Social; Diversity Equity and Inclusion; What we do. Chapter Appendix; Reporting methodology and boundaries.		No			A

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
G2 Ocean own disclosure	Percentage of employees participating in the Diversity, Equity and Inclusion survey and key areas of success and improvement related to the survey results.	Chapter Social; Diversity Equity and Inclusion; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A

G2 Ocean Material Topic: Innovation

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Social; Innovation. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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G2 Ocean own disclosures

G2 Ocean own disclosure	Number of Innovation projects Initiated	Chapter Social; Innovation; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Number of Innovation projects Implemented / Completed	Chapter Social; Innovation; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Number of joint innovation projects	Chapter Social; Innovation; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Number of Business Intelligence dashboards implemented	Chapter Social; Innovation; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Number of bookings submitted via MyG2	Chapter Social; Innovation; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Number of digitalized processes implemented	Chapter Social; Innovation; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B

G2 Ocean Material Topic: Sustainable Supply Chain

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Governance; Sustainable Supply Chain. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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GRI 414: Supplier Social Assessment

414-1	New suppliers that were screened using social criteria	Chapter Governance; Sustainable Supply Chain; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
414-2	Negative social impacts in the supply chain and actions taken	Chapter Governance; Sustainable Supply Chain; What we do. Chapter Governance; Sustainable Supply Chain; Our Performance.		No			A, B

GRI 308: Supplier Environmental Assessment

308-1	New suppliers that were screened using environmental criteria	Chapter Governance; Sustainable Supply Chain; What we do. Chapter Governance; Sustainable Supply Chain; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
308-2	Negative environmental impacts in the supply chain and actions taken	Chapter Governance; Sustainable Supply Chain; What we do. Chapter Governance; Sustainable Supply Chain; Our Performance.		No			A, B
G2 Ocean own disclosure	Number of recycled webslings, rubber air bags and poly air bags	Chapter Governance; Sustainable Supply Chain; What we do.		No			A
G2 Ocean own disclosure	Percentage of procurement staff conducting sustainable procurement training	Chapter Governance; Sustainable Supply Chain; Our Performance.		No			A

Appendix

Disclosure No.	Disclosure description	Source	G2 Ocean response	Omission	Explanation of omission	Reason for omission	Assured by a third party
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G2 Ocean Material Topic: Anti-Corruption and Anti-Competitive Behaviour

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Governance; Anti-Corruption and Anti-Competitive Behaviour. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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GRI 205: Anti-Corruption

205-1	Operations assessed for risks related to corruption	Chapter Governance; Anti-Corruption and Anti-Competitive Behaviour; Our Impacts, risks and opportunities.		No			A, B
205-2	Communication and training about anti-corruption policies and procedures	Chapter Governance; Anti-Corruption and Anti-Competitive Behaviour; Our Performance.	G2 Ocean's Governance Body members sit in Norway.	No			A, B
205-3	Confirmed incidents of corruption and actions taken	Chapter Governance; Anti-Corruption and Anti-Competitive Behaviour; Our Performance.	There have been zero legal actions pending or completed in 2023, regarding violations of anti-corruption legislation in which G2 Ocean has been identified as a participant.	No			A, B

GRI 206: Anti-Competitive behaviour

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There have been zero legal actions regarding anticompetitive practices and violations of anti-trust and monopoly legislation in 2023, in which G2 Ocean has been identified as a participant.	No			A, B
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G2 Ocean Material Topic: Cyber Security

GRI 3 - Material Topics

3-3	Management of material topics	Chapter Governance; Cyber Security. Chapter General; Strategy, Stakeholders and Governance; Stakeholder Management.		No			A
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G2 Ocean own disclosures

G2 Ocean own disclosure	Onboarding rate	Chapter Governance; Cyber Security; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B
G2 Ocean own disclosure	Fail rate	Chapter Governance; Cyber Security; Our Performance. Chapter Appendix; Reporting methodology and boundaries.		No			A, B



Reporting methodology and boundaries

ENVIRONMENT

Chapter Environment; Emissions

Description	Methodology	Scope/Exclusions	Unit of reporting
Energy consumption and intensity ratios			
Energy Efficiency Operational Indicator (EEOI)	The EEOI is calculated based on IMO MEPC.1/Circ.684 , with the formula: $EEOI = (\text{fuel consumption} \times \text{carbon factor}) / (\text{distance} \times \text{cargo carried})$ The carbon factors used are as follows: Heavy fuel oil: 3.1144 Light fuel oil: 3.151 Diesel oil: 3.206 Source: IMO lifecycle and carbon intensity guidelines	EEOI only uses CO ₂ factor for the fuel, not CO ₂ e	mt CO ₂ /mill mt cargo*nm
Annual Efficiency Ratio (AER)	The AER is calculated based on MEPC.336(76) guideline , with the formula: $AER \text{ for the fleet} = (\text{Annual fuel consumption} \times \text{carbon factor of the fuel}) / \text{total transport work (Distance sailed} \times \text{average DWT of G2 Ocean's fleet)}$ The carbon factors used are as follows: Heavy fuel oil: 3.1144 Light fuel oil: 3.151 Diesel oil: 3.206	AER only uses CO ₂ factor for the fuel, not CO ₂ e	mt CO ₂ /mill dwt*nm
SOx per transport work	The SOx emissions are divided by transport work (distance*cargo carried) to give a fair comparison year by year. See separate description for calculation of SOx emissions.		Kg SOx/mill mt cargo*nm
NOx per transport work	The NOx emissions are divided by transport work (distance*cargo carried) to give a fair comparison year by year. See separate description for calculation of NOx emissions.		Kg NOx/mill mt cargo*nm
Global Warming Potential	1 CO ₂ e = 1 GWP	The CO ₂ e from Scope 1 emissions.	GWP

Scope 1 emissions

CO ₂ equivalents (CO ₂ e) from fuel consumption	The CO ₂ e from fuel consumption is calculated using DEFRA 2023 conversion factors. The conversion factors for fuel oil and marine gas oil covers contributions from CO ₂ , CH ₄ and N ₂ O emissions and are as follows: - CO ₂ e factor LFO: 3.15575 - CO ₂ e factor MGO: 3.2453	The principle of "operational control" is applied, meaning that the emission figures include all vessel carrying cargo for G2 Ocean, including Time Charter vessels. Vessels chartered out of the G2 Ocean fleet are excluded. The conversion factors for fuel oil and marine gas oil cover contributions from CO ₂ , CH ₄ and N ₂ O emissions.	MT CO ₂ e
Biogenic emissions	The biogenic emission from the combustion of biofuel is found using conversion factor from IMO lifecycle and carbon intensity guidelines (ISWG-GHG 11/2/3). CO ₂ factor: 2.834 CH ₄ factor: 0.00005 N ₂ O factor: 0.00018 Adding up all three emissions give CO ₂ e emission.	Biogenic emissions from the combustion of biofuel are not part of the climate accounting as it is credited by the IMO and EU as having carbon factor of 0.	MT CO ₂ e
Natural gas	Emission from natural gas is calculated using DERFA 2023 conversion factors: 2.038 kg / m ³ (domestic use gas)		CO ₂ e

Appendix

Description	Methodology	Scope/Exclusions	Unit of reporting
SOx and NOx emissions			
Sulphur oxides emissions (SOx)	<p>The mass of SOx emitted by the vessel is calculated by multiplying the given fuel type consumption (in metric tons) with the sulphur content of each fuel type (%) and sulphur content factor per metric ton of fuel.</p> <p>The sulphur content factor is a fixed parameter of 1.99782 per metric ton and, given the fuel type, the sulphur content percentage is expressed as an absolute value. The emitted mass of SOx will then be: Consumption (MT) * Sulphur content (%) * Sulphur Content Factor 1.99782 per mt</p> <p>Source: Norwegian Oil and Gas Association, Recommended guidelines for discharge and emission reporting, No:44</p>		MT SOx
Nitrogen Oxides (NOx)	<p>The mass of NOx emitted is calculated using the following assumptions:</p> <ul style="list-style-type: none"> - All main engines <200 rpm, this equals 100 kg of NOx per metric ton fuel used. - All auxiliary engines (1000< rpm<1500), this equals 50kg of NOx per metric ton fuel used. - All Boilers 9.6kg of NOx per metric ton fuel used. <p>The fuel distribution between the main engines, auxiliary engines and boilers are calculated based on actual figures. NOx factors depend on the type of engine. The fuel type does not affect the emissions.</p> <p>Source: Norwegian NOx Fund</p>		MT NOx

Scope 2 emissions

Consumption of purchased energy for heating, cooling, lightning, and gas.	<p>Energy consumption figures are used to calculate emissions. There are three methods applied for offices where G2 Ocean is the tenant (situation A), in prioritised order:</p> <p>Method A1 is used when we have direct information about the consumption from the electricity supplier about the office's kWh consumption in a given period. Method A2 is used where G2 Ocean does not have our own electricity meter, but we can obtain energy consumption data from the building owner. Our share of the total consumption is calculated based on our share of the total floor area of the building. Method A3 is used where electricity consumption figures are not provided by the building owner, and G2 Ocean does not purchase energy. We use relevant, generic studies of consumption per floor area of office space for the region where the office is located.</p> <p>For offices where G2 Ocean employees are situated in office spaces of another company which is the tenant (situation B), we obtain electricity consumption figures from the tenant and use employee head count to calculate our share of the total emissions.</p> <p>Method A1: Input data is collected quarterly from the G2 Ocean invoicing system, using kwh consumption figures provided by the energy supplier. The invoices are filed within the invoicing system.</p> <p>Method A2: Input data is collected on a quarterly basis from the building owner.</p> <p>Method A3: The availability of generic studies of energy consumption in office buildings is assessed annually, and figures are adjusted if and when improved data is available. Sources are referred to in the input sheet.</p> <p>Method B1: We obtain energy consumption data from the tenant and use head count to calculate our share of the consumption on a quarterly basis.</p> <p>Location-based emission conversion factors from the United Nations Framework Convention on Climate Change is used to calculate our scope 2 emissions. We have prioritized to use one source for emission factors for all our locations, rather than selecting factors published by national authorities, to ensure consistency. Note that the UNFCCC factors are based on how electricity in the country is produced. It does not take into account the exchange of electricity with other countries, and its not a consumption-mix factor.</p> <p>Residual mix factors have been used for Norway and the Netherlands, as available from Carbon Footprint. For electricity used in Sweden we have purchased energy attribute certificates, the factors used for market-based emissions is therefore "0". Further, for other G2 Ocean locations outside Europe we have not been able to identify reliable sources for residual mix factors. Location-based factors have been used to calculate market-based scope 2 emissions outside Europe, in line with GHG guidance for best practice.</p> <p>A study (page 14) made by the Norwegian energy supplier Eviny is used to calculate the district heat emission factor for Bergen. Note that emissions from incineration of waste is included in this emission factor.</p>	The company's total Scope 2 emissions include emissions from offices in Atlanta, Bergen, Gothenburg, Manila, Melbourne, Rio de Janeiro, Rotterdam, Shanghai, Singapore, and Vancouver. Other G2 Ocean subsidiaries (ref page 138 of the 2022 annual report) do not have a physical office, we do not lease office space in Livorno, Durban and Houston. Dubai is excluded because the two workers who are based there are employed by a separate entity (not G2 Ocean).	CO ₂ e
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Description	Methodology	Scope/Exclusions	Unit of reporting
Scope 3 emissions			
Emissions from business travel	<p>We use travel spend to calculate emissions from business air travels. The total amount is obtained from our internal accounting system for the financial year, which contains the expenses from all air travel. The expenses are registered by the employees in the travel expense reporting systems and the aggregated total is routed to our accounting system and later verified by a Corporate Accountant.</p> <p>Our travel service provider (AMEX GBT) provides an annual overview of all flights booked via their online portal and by phone to their operators. In their annual summary all flights are categorized by flight length (domestic / international) and ticket class. DEFRA emission factors (CO₂ per flight mile) are used to calculate emissions for individual flights. This gives us an accurate overview of emissions from flights booked via AMEX GBT. We also have data on USD spent on air travels booked from AMEX GBT. The "G2 air travel emission factor" for the respective year is then created based on this input (CO₂ from AMEX flights per USD spent on AMEX flights). The emission factor will be representative for G2 Ocean flights, as it is based on accurate data from the travel provider and travel habits of our employees. We multiply it with the total flight spend registered in the travel expense system, to calculate our total emissions.</p> <p>We will update the travel emission factor every year, based on data from the travel provider.</p>		CO ₂ e
Well-to tank emissions	<p>To calculate the well-to-tank emissions, we consider the entire lifecycle of the fuel before it enters the tanks onboard our vessels, including production, processing and delivery. We use the actual consumption of Fuel oil, Marine Gas Oil and Biofuel, respectively, and then multiply it by specific conversion factors to determine the emissions in tonnes CO₂e.</p> <p>The emissions factors (kg CO₂e per ton fuel) calculated using UK government emission factors (DEFRA 2023) which are as follows: - LFO: 714.86 - MGO: 743.83 - Biofuel: 502.91</p>		CO ₂ e
Fuel and energy-related emissions	<p>The emissions are calculated using the UK Government's emission conversion factors (DEFRA 2023) for different fuel grades: - LFO: 714.86 - MGO: 743.83 - Biofuel: 502.91</p>		CO ₂ e
Downstream Leased Assets	<p>To calculate emissions from downstream leased assets, we use DEFRA 2023 carbon factors: - CO₂e factor fuel: 3.15575 - CO₂ factor MGO: 3.2453</p> <p>The well-to-tank emissions related to these vessels are calculated using emission factors provided by the UK government(DEFRA 2023). These are as follows: - LFO: 714.86 - MGO: 743.83</p>	Covers the emissions from all vessels chartered out of the G2 Ocean fleet, including well-to-tank emissions.	CO ₂ e
Relet	<p>When G2 Ocean books space with other carriers to transport our customers' cargo, it is called "relet". Our Scope 3 emissions are determined by calculating our share of emissions from these vessels, taking into account the weight of the cargo.</p> <p>To calculate emissions from downstream leased assets, we use DEFRA 2023 carbon factors: - CO₂e factor fuel: 3.15575 - CO₂ factor MGO: 3.2453</p> <p>The well-to-tank emissions related to these vessels are calculated using emission factors provided by the UK government(DEFRA 2023). These are as follows: - LFO: 714.86 - MGO: 743.83</p>	<p>Emissions based on G2 Oceans share of fuel consumption, weighted by cargo.</p> <p>Includes well-to-tank emissions.</p>	CO ₂ e

Appendix

SOCIAL

Chapter Social; Health and Safety

Description	Methodology	Scope/Exclusions	Unit of reporting
Fatalities	Number of fatalities as a result of work-related injury.		Number of fatalities
High-consequence injuries	Number of injuries from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months.		Number of high-consequence injuries
Recordable injuries	Number of work-related injuries that results in any of the following outcomes: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.	Excludes First Aid Cases.	Number of Recordable injuries
Rate of fatalities	The rate of fatalities is calculated according to the following formula: Fatality Rate = number of incidents / number of hours worked x 1,000,000	As recommended by the Balti and International Maritime Council (BIMCO), the rates are based on 1 million work hours. G2 Ocean employees have flexible working hours and are not required to register working hours. Most employees work in countries where the standard working week is 40 hours. This number has been used as the basis to calculate the total number of working hours in the company.	%
Rate of high-consequence injuries	The rate of high-consequence injuries is calculated according to the following formula: High Consequence Rate = number of incidents / number of hours worked x 1,000,000	As recommended by BIMCO, the rates are based on 1 million work hours. G2 Ocean employees have flexible working hours and are not required to register working hours. Most employees work in countries where the standard working week is 40 hours. This number has been used as the basis to calculate the total number of working hours in the company.	%
Rate of recordable work-related injuries	The rate of recordable work-related injuries is calculated according to the following formula: Recordable Cases Rate = number of incidents / number of hours worked x 1,000,000	As recommended by BIMCO, the rates are based on 1 million work hours. G2 Ocean employees have flexible working hours and are not required to register working hours. Most employees work in countries where the standard working week is 40 hours. This number has been used as the basis to calculate the total number of working hours in the company.	%
Number of Proactive Safety Reports	The number of Proactive Safety Reports is calculated by summarising all reports submitted to G2 Ocean's incident reporting system, MyReports, which are not injuries of severity "recordable" or higher.		#
Number of work-related injuries among stevedoring companies when engaged by G2 Ocean	Number of work-related injuries among stevedoring companies engaged by G2 Ocean that results in any of the following outcomes: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. G2 Ocean engages stevedoring companies to assist with loading and discharging operations in ports. The workers of the stevedoring companies are referred to as 'Stevedores'. These workers are not G2 Ocean employees and their work and workplace are not controlled by G2 Ocean, but our operations pose significant occupational health and safety impacts on those workers. Hence, this KPI is strategically important for G2 Ocean to both monitor and report on.		#

Chapter Social; Training and Education

Average hours of training per year	Is calculated by summarising the number of hours employees have spent on internal training and dividing the total on the total number of employees.		Number of average hours spent on internal training
Percentage of employees receiving regular performance and career development reviews	Is calculated by summarising the number of employees who have received reviews and dividing it on the total number of employees.		%
Percentage of employees participating in the employee engagement survey and key areas of success and improvement related to the survey results	Is calculated by summarising the number of employees who have participated in the survey and dividing it on the total number of employees. Observations are also made regarding areas of success and improvement related to the survey results.		%

Chapter Social; Diversity, Equity and Inclusion

Description	Methodology	Scope/Exclusions	Unit of reporting
Our workforce	All people working for G2 Ocean during the reporting year.	G2 Ocean employees, secondment and consultants.	
G2 Ocean employee	Person employed by G2 Ocean.	Excludes secondment, Board of Directors and consultants.	
Secondment employee	Person engaged by G2 Ocean on a temporary basis to contribute to a project/department while retaining their employment status with an external company.		
Consultant	Person employed by G2 Ocean through an external organisation. The person works at our offices and its work at G2 Ocean is controlled by the company.		
Permanent employee	Person employed by G2 Ocean on a permanent basis.		
Temporary employee	Person employed by G2 Ocean on a temporary basis.		
Full-time employee	Employee working 100% at G2 Ocean.		
Part-time employee	Employee working less than 100% at G2 Ocean.		
Diversity of governance bodies and employees	Counts the number of persons in the Board of Directors and Leadership team, and employees in the categories male, female, under 30 years old, 30-50 years old, and over 50 years old, and calculates percentage out of total number of persons in Board of Directors and Leadership team, and employees.		%
Ratio salary women to men	Counts the salary of men and women for each employee category, in the three significant locations of operation. Calculates percentage pay women and percentage pay men, and calculate the percentage pay gap.		%
Employees by primary citizenship	Counts the number of nationalities within the company and counts the number of employees within each of the primary citizenship countries. Calculates the percentage of employees within each of the primary citizenship countries.		%
Gender balance	Counts number of female and male employees by region and employee contract type. Calculates percentages of female and male employees by region and by contract type.		%
Employee hires and exits	Counts the number of employees hired and exiting the company in the following categories: Gender, age group and region. Calculate percentage of employees hired and exiting the company in the same categories.		%
Percentage of employees participating in the Diversity, Equity and Inclusion survey and key areas of success and improvement related to the survey results	Is calculated by summarising the number of employees who have participated in the survey and dividing it on the total number of employees. Observations are also made regarding areas of success and improvement related to the survey results.		%

Chapter Social; Innovation

Number of Innovation projects Initiated	Counts the number of started initiatives over the period, including small improvement projects, medium-sized initiatives or started phases of large initiatives.	All G2 Ocean initiatives registered in the project list.	Number of Innovation projects Initiated
Number of Innovation projects Implemented / Completed	Counts the number of completed and/or implemented initiatives over the period, including small improvement projects, medium-sized initiatives or closed phases of large initiatives.	All G2 Ocean initiatives registered in the project list.	Number of Innovation projects Implemented / Completed
Number of joint innovation projects	Counts the number of initiatives that we have worked collaboratively with other partners on over the period, including small improvement projects, medium-sized initiatives or phases of large initiatives. "Partners" include owners, suppliers, customers, or other external companies.	All G2 Ocean initiatives registered in the project list.	Number of joint innovation projects
Number of Business Intelligence dashboards implemented	Counts the number of Business Intelligence Dashboards that has been implemented in Power BI across G2 Ocean over the period, including all new or replaced reports and dashboards built.	All G2 Ocean PowerBI dashboards registered in the power BI reports list.	Number of Business Intelligence dashboards implemented
Number of bookings submitted via MyG2	Counts the number of bookings submitted digitally via G2 Ocean's digital customer platform MyG2 over the period.	All bookings registered in MyG2.	Number of bookings submitted via MyG2
Number of digitalized processes implemented	Counts the number of G2 Ocean processes that has been partially or fully improved through means of digitalisation or automation over the period.	All G2 Ocean initiatives registered in the project list.	Number of digitalized processes implemented

Appendix

GOVERNANCE

Chapter Governance; Sustainable Supply Chain

Description	Methodology	Scope/Exclusions	Unit of reporting
New suppliers screened for environmental criteria	Counts the number of new suppliers screened using defined environmental criteria. Calculates the % of new suppliers screened. New suppliers are screened through answering supplier self-assessment, including questions connected to the suppliers environmental efforts. Suppliers also need to acknowledge our supplier code of conduct and Anti-Bribery and Corruption Policy.	All new suppliers screened during the year	%
New Suppliers screened for social criteria	Counts the number of new suppliers screened using defined environmental criteria. Calculates the % of new suppliers screened. Suppliers are screened through answering supplier self-assessment, including questions connected to the suppliers human rights efforts. Suppliers also need to acknowledge our supplier code of conduct and Anti-Bribery and Corruption Policy.	All new suppliers screened during the year	%
Number of suppliers assessed for social impacts	Counts the number of suppliers assessed for social impact after answering self-assessment questionnaire or assessed during the Environmental and Social Due Diligence (ESDD) review of a supplier category. Assessment of suppliers in ESDD-review is based on the following principles and priorities: supplier category, supplier country, country risk viewed from Environmental, Social and Governmental risk perspective, supplier spend, and review of any G2 Ocean reported safety incidents connected with supplier. Further assessments of supplier web-site and review of supplier self-assessment is conducted for suppliers identified with higher potential of negative social impact.	All suppliers assessed during the year	#
Number of suppliers assessed for environmental impacts	Counts the number of suppliers assessed for environmental impact after answering self-assessment questionnaire or assessed during the Environmental and Social Due Diligence (ESDD) review of a supplier category. Assessment of suppliers in ESDD-review is based on the following principles and priorities: supplier category, supplier country, country risk viewed from Environmental, Social and Governmental risk perspective, supplier spend, and review of any G2 Ocean reported safety incidents connected with supplier. Further assessments of supplier web-site and review of supplier self-assessment is conducted for suppliers identified with higher potential of negative environmental impact.	All suppliers assessed during the year	#
Number of suppliers identified as having significant actual and potential negative social impacts	Counts the number of suppliers identified with significant potential negative social impacts. Identified in the assessment for social impacts.	All suppliers identified during the year	#
Number of suppliers identified as having significant actual and potential negative environmental impacts	Counts the number of suppliers identified with significant potential negative environmental impacts. Identified in the assessment of environmental impacts.	All suppliers identified during the year	#
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	Counts the percentage of suppliers with agreed improvements .	All suppliers identified during the year	%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	Counts the percentage of suppliers with agreed improvements .	All suppliers identified during the year	%
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	Counts the number of supplier relationships terminated as the result of the assessment of social impacts.	All suppliers identified during the year	#
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	Counts the number of supplier relationships terminated as the result of the assessment of environmental impacts.	All suppliers identified during the year	#

Chapter Governance; Anti-Corruption and Anti-Competitive Behaviour

Description	Methodology	Scope/Exclusions	Unit of reporting
Total number and percentage of operations assessed for risks related to corruption	Counts the number and percentage of operations assessed for risks related to corruption.	All operations	%
Significant risks related to corruption identified through the risk assessment	Details the significant risks identified through the risk assessments.		Risks Identified
Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region	Number and percentage of Members of the Board of Directors that policies and procedures have been communicated to.		# and %
Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region	Number and percentage of employees that polices have been communicated to, measured by way of completed training on the subject.		# and %
Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region	Number and percentage of business partners receiving policies and procedures via our Supplier Risk Management System.		# and %
Total number and percentage of governance body members that have received training on anti-corruption, broken down by region	Number and percentage of members of the Board of Directors who have received training in the reporting period.	The Board of Directors sits in Norway	# and %
Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region	Number and percentage of employees that have completed training on the subject in the reporting period.		# and %
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Number of incidents.		#
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Number of incidents.		#
Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases	Number of cases.		#

Chapter Governance; Cyber Security

Fail rate	"The fail rate is calculated according to the following formula: Fail Rate = number of simulations sent / number of failed simulations"	All G2 Ocean users of gamified cyber security training platform. The fail rate is calculated based on 30 simulations sent to the employees.	%
Onboarding rate	"The onboarding rate is calculated according to the following formula: Onboarding rate= 100*onboarded users / total amount of users"	All G2 Ocean employees by headcount	%



Independent Auditor's Assurance Report



To the Board of Directors of G2 Ocean AS

Independent Practitioner's Assurance Report on the sustainability reporting

We have undertaken a limited assurance engagement in respect of G2 Ocean AS's sustainability reporting (the Subject Matter) for the period 1 January 2023 - 31 December 2023.

The identified Subject Matter Information is summarised below:

- A. G2 Ocean's Global Reporting Initiative (GRI) Index for 2023 is an overview of which sustainability topics G2 Ocean considers material to its business and which indicators it uses to measure and report sustainability performance; together with a reference to where the material sustainability information is reported within the 2023 Annual Report. G2 Ocean's GRI Index for 2023 is available and included in the 2023 Annual Report. We have examined whether G2 Ocean has developed a GRI Index for 2023 and whether mandatory disclosures are reported in accordance with the Standards published by The Global Reporting Initiative (www.globalreporting.org/standards) (the Criteria).
- B. This GRI Index in the 2023 Annual Report contains reference to sustainability disclosures that G2 Ocean measures and controls. The measurement of the indicators are determined by topic-specific disclosure requirements in line with the Standards published by the Global Reporting Initiative or own disclosures as specified by G2 Ocean and explained in the GRI Index (the Criteria). We have examined the basis for the quantitative sustainability disclosures identified with a B in the GRI index and examined whether these are calculated, estimated and reported in accordance with the criteria.

Management's Responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Greenhouse gas (GHG) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to express a conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in

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accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information» and, in respect of greenhouse gas emissions, ISAE 3410 - «Assurance Engagements on Greenhouse Gas Statements», both issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 and ISAE 3410 involves assessing the suitability in the circumstances of management's use of the Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and, among others, included an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the sustainability reporting. Our procedures, based on assessment of the risk of error, also included meetings with representatives from G2 Ocean who are responsible for the material sustainability topics covered by the sustainability reporting; review of internal control and routines for reporting sustainability disclosures; obtaining and reviewing relevant information that supports the preparation of sustainability disclosures; assessment of completeness and accuracy of sustainability disclosures identified with a B in the GRI index and controlling the calculations of sustainability disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

- A. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that G2 Ocean's GRI Index for 2023 is not, in all material respects, developed in accordance with the requirements of the Standards published by The Global Reporting Initiative;
- B. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that G2 Ocean's quantitative sustainability disclosures identified with an B in the GRI index are not, in all material aspects, calculated, estimated and reported in accordance with the definitions provided in the Standards published by The Global Reporting Initiative or in the GRI Index.

Bergen, 12 March 2024
PricewaterhouseCoopers AS

Hanne Sælemyr Johansen
State Authorised Public Accountant



United Nations Sustainable Development Goals

G2 Ocean's contribution to the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 and guide governments, civil society, and the private sector in a collaborative effort for change towards sustainable development. In 2019, G2 Ocean adopted seven of the SDGs and selected those that are considered the most material for the company. The goals are integrated into G2 Ocean's corporate strategy.

G2 Ocean actively works to support the United Nations Sustainable Development Goals (SDGs) and shares the view that businesses have a key role to play in delivering on and contributing to the goals. We contribute to social and economic development in the societies and communities we operate in, by delivering goods and supplies, creating economic value and jobs, and developing people, while conducting responsible business activities. Our main contributions to each of these goals are described in the table below.



4 QUALITY EDUCATION

- We encourage a high-performance culture
- We actively develop our employees' skillsets for the future



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- We innovate and digitalise our processes to improve efficiency and sustainability
- We develop new business in emerging economies such as Africa and India
- We continuously work towards increased resource efficiency



13 CLIMATE ACTION

- We reduce our GHG emissions through operational and technical measures
- We recycle all office waste and continuously seek to increase our equipment recycling



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- We actively promote transparency, anti-corruption and bribery
- We are committed to focusing on business ethics, high HSEQ standards and risk management



8 DECENT WORK AND ECONOMIC GROWTH

- We focus on the economic growth of our business and cost awareness
- We work towards the automation of repetitive work



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- We promote sustainable procurement practices, awareness and influence our supply chain in a more sustainable direction
- We recycle all office waste and continuously seek to increase our equipment recycling



14 LIFE BELOW WATER

- We work to prevent harmful emissions to the oceans
- We work to reduce plastic in the oceans

Illustration 11: Correlation between our material topics and the UN Sustainable Development Goals

	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Emissions				✓	✓	✓	
Health and Safety		✓					✓
Anti-corruption and anti-competitive behaviour				✓	✓		✓
Sustainable Supply Chain	✓	✓					
Diversity, Equity and Inclusion	✓						
Training and Education							
Innovation		✓	✓				
Cyber Security		✓	✓				





Other Scope 3 emissions

This section provides an overview of our secondary scope 3 emissions. To view our main scope 3 emissions categories, please refer to page 25.

Waste generated in operations

As we gradually obtain lifecycle emission conversion factors from our suppliers, the emissions from wasted equipment and consumables will be included in the Scope 3 category "Purchased goods and services".

Capital Goods:

G2 Ocean does not invest in assets. Hence, this category is not relevant to us.

Emissions from downstream transportation and distribution

G2 Ocean's voyages are one link of several in the supply chain of cargo, from manufacturer to end receiver. We do not have the means currently to get an overview of the emissions from downstream transportation outside our logistical service, and we have no impact on how the cargo is transported downstream. Some of our customers and cargo owners do seek to obtain emission data for the whole chain of transport. We contribute to their efforts by reporting our emissions in their reporting systems, on request. We have also developed a feature in our customer portal MyG2, to ensure that emission data from our transportation work is readily available for our customers.

Employee commuting

Several commuting options are available in most of our office locations. Many employees travel to the office by bus, tram, and bicycle. Emissions from commuting are relatively low, compared to other Scope 3 emission sources, and we do not see a potential for significant reductions.

Upstream leased assets

G2 Ocean does not lease assets. Hence, this category is not relevant to us.

Processing of sold products

G2 Ocean is a service provider. Hence, this category is not relevant to us.

Use of Sold Products

G2 Ocean is a service provider. Hence, this category is not relevant to us.

End-of-life treatment of sold products

G2 Ocean is a service provider. Hence, this category is not relevant to us.

Emissions from Franchises

This category is not relevant to G2 Ocean due to our company structure and the nature of our business.

Emissions from Investments

G2 Ocean does not invest in assets. Hence, this category is not relevant to us.



G2 Ocean Board of Directors

Composition

The nomination process for the Directors of the Board, representing Gearbulk and Grieg, respectively, is based on the nomination principles and guidelines of the two companies.

Due to the fact that G2 Ocean is a joint venture, the board members are appointed by the company's shareholders and represent the owners' interest in G2 Ocean. Gearbulk is entitled to nominate the Chair of the Board and Grieg shall have the right to appoint the Vice Chair of the Board. The Chair of the Board is not a senior executive in G2 Ocean.

Further, the Board shall consist of a minimum of five Directors of which Gearbulk is entitled to nominate and have elected three Directors and Grieg is entitled to nominate and have elected two Directors, provided that the Board in advance have carried out an adequate evaluation process prior to the nomination.

There are no independent Board members.

The nomination process for Directors of the Board, representing Gearbulk and Grieg, respectively, is based on the nomination principles and guidelines of the two companies.

Conflicts of Interest

To ensure a sound practice when it comes to the division of tasks and roles between the administration, the Board of Directors and the General Meeting, the Norwegian Code of Practice for Corporate Governance is applied as far as practicable for a privately-owned company.

The shareholders have jointly agreed on specifically reserved matters which require approval above a certain threshold of the Directors, which contributes to avoiding conflicts of interest.

G2 Ocean disclose any transactions and outstanding balances with related parties in the Financial Accounts of the Annual Report. We have not identified any conflict of interest relating to Board cross-shareholding with suppliers or other stakeholders. A summary of appointments the Directors have on other board committees is provided on pages 19 and 20 of this report.

Critical concern

The Board are provided with monthly management reports and a business update in the Board meetings, whereupon items of critical concerns are addressed and presented. The CEO communicates any critical concerns directly to the Chair or the Board if deemed required. No cases of critical concerns were reported in 2023.

Finally, any items classified as reserved matters which require approval

above a certain threshold of the Directors nominated by respectively both Gearbulk and Grieg, are being presented to the Board for their review and approval.

Performance evaluation

The Board has a goal to annually evaluate its performance and expertise in line with good corporate governance. In 2023, the Board conducted its annual evaluation without the Executive Leadership Team present as an informal discussion based on predefined discussion points. They assessed various areas, including business development, strategic priorities (including ESG), board competence, and management execution. The overall consensus was that the Board shared similar observations, and no major deviations or significant improvements were needed. The next performance evaluation is scheduled for 2024.

Remuneration

The Board of Directors, including Deputy Directors, receives an annual compensation decided by the General Meeting. For 2023, the compensation was NOK 250,000 per Director. In addition, the Board of Directors' expenses is reimbursed. There is no other compensation to the Directors.

The salary of the leadership team follows G2 Ocean's remuneration policy which also applies to the employees. The main principle of the remuneration policy is to offer terms and conditions which are competitive when fixed remuneration, payment in kind, bonuses and pension schemes are considered. G2 Ocean will offer a remuneration level which is competitive compared to similar companies and businesses, where the need for qualified personnel in all parts of the business is also considered.

Sign-on bonuses, recruitment incentive payments and clawbacks are not part of G2 Ocean's remuneration policy. However, sign-on bonuses or recruitment incentive payments may be considered if required to attract the right candidate to the leadership team.

The compensation to the CEO includes a termination payment, whereupon the CEO is entitled to a 12 months' salary.

For the annual salary review process, G2 Ocean uses various international indexes, including but not limited to Korn Ferry and Bloomberg, to benchmark remuneration. The HR department prepares guidelines for salary adjustments which consider inflation rates, the employee's salary compared to peers and individual performance. The regional HR managers ensure that the review process complies with local laws as applicable. The employee's manager makes a recommendation based on the guidelines and budget. The second level manager, if relevant, approves before the overall adjustment is approved by the Managing Director of Organisational Development and the CEO.

The salary adjustment for the CEO is approved by the Board of Directors. The shareholders' views on the annual salary adjustment budget are obtained by consulting the HR departments of G2 Oceans' shareholders.

Pension Scheme and Bonuses

Senior executives are members of G2 Ocean's pension scheme in their respective employment locations.

The remuneration for the senior executives is approved annually by the Board of Directors. The included bonus scheme considers the company's economic performance, as well as the individual's behaviour and ability to deliver on personal objectives when assessing the remuneration. Members of the Leadership Team can receive a bonus of up to a discretionary percentage of their annual salary. The amount of any bonus to the CEO is approved by the Board of Directors.

Selected individuals in the leadership team are included in a long-term incentive program.

Annual total compensation ratio

The median annual compensation (salary and bonus) in G2 Ocean globally is 6.6% of the highest-paid individual. The highest-paid individual had a salary increase of 3.6% in 2023 and the median salary increase was 5.5%.

The annual compensation has been compiled by using the annual salary for 2023 and bonus payments from 2022 paid out in 2023 and recorded in our HR system. All salaries and bonuses in the different countries have been converted to USD.



G2 Ocean's headquarters in Bergen, Norway. Photo: Lumir

Subsidiaries and Offices

Bergen (Headquarters)
G2 Ocean AS
Grieg-Gaarden, C. Sundts gate 17
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Bergen, Norway



Atlanta (Hub office)
G2 Ocean US Inc.
600 Galleria Parkway
Suite 500
GA 30339
Atlanta, United States

Dubai
G2 Ocean Singapore Pte Ltd
2101 Damac Executive Heights, Tecom C
PO Box 8612
Dubai, United Arab Emirates

Durban
G2 Ocean South Africa Pte Ltd
50 Oxford Road, Parktown
2193
Johannesburg, South Africa

Gothenburg
G2 Ocean Sweden AB
Maskingatan 5
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Gothenburg, Sweden

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Suite 925, 11490 Westheimer Road
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Houston, Texas, United States

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c/o Studio Masi
Via Grande, 225
57123
Livorno, Italy

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10th Floor, Times Plaza Building
United Nation corner Taft Avenue Ermita
Manila, The Philippines

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Suite 8a, 1st Floor
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